6月11日第三種郵便物認可　昭和27年8月8日国鉄特別扱承認雑誌第2335号　毎月1日発行　昭和31年11月1日発行

The ORIENTAL ECONOMIST

ESTABLISHED 1934

L. XXIV　NOVEMBER, 1956　No. 553

Sunakawa Problem

1957 Budget & Tax Cut

Atomic Fuel Corporation

Building & Construction Boom

Sino-Japanese Trade

United States Curbing of Imports

Tokyo-Moscow Ties Normalized

Steel, Electricity and Transportation

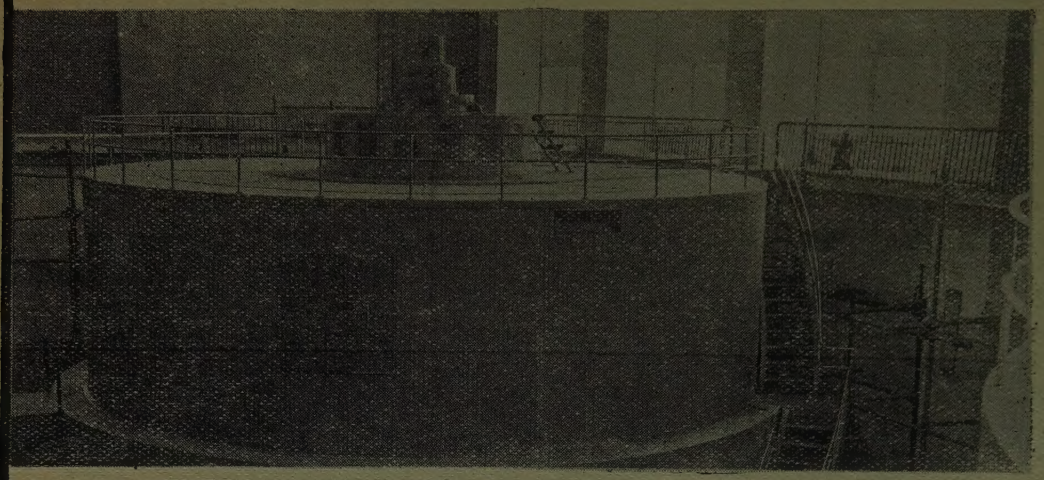
Foreign Exchange Budget

National Health

¥180

HITACHI Leads The field

*Throughout the years, **Hitachi, Ltd.** has led the field of Japanese heavy industries in Production, industrial technique and reputation. Today, as in the past, **Hitachi** is continuing its contribution toward the industrial development of the world.*



Cable Address: "HITACHY" Tokyo

Hitachi, Ltd.
Tokyo Japan

Foreign Exchange Bank

THE BANK OF TOKYO

THE BANK OF TOKYO, LTD.

HEAD OFFICE: NIHOMBASHI, TOKYO, JAPAN

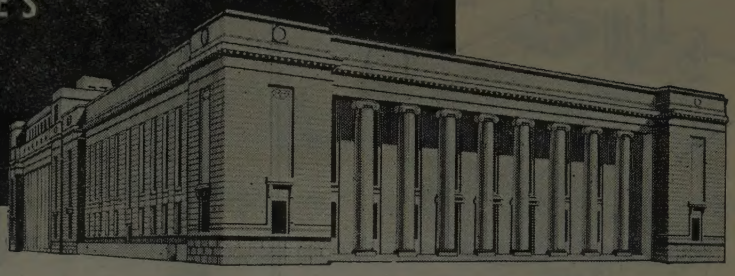
★ OVERSEAS OFFICES ★
New York · Rio de Janeiro · Buenos Aires · London · Hamburg · Alexandria · Calcutta · Bombay · Karachi · Hong Kong

★ AFFILIATE ★
THE BANK OF TOKYO OF CALIFORNIA
San Francisco · Los Angeles · Gardena

★ DOMESTIC OFFICES ★
Tokyo · Yokohama · Nagoya · Osaka · Kobe and Other Main Cities in Japan

★ SUBSIDIARY ★
THE BANK OF TOKYO TRUST CO.
New York

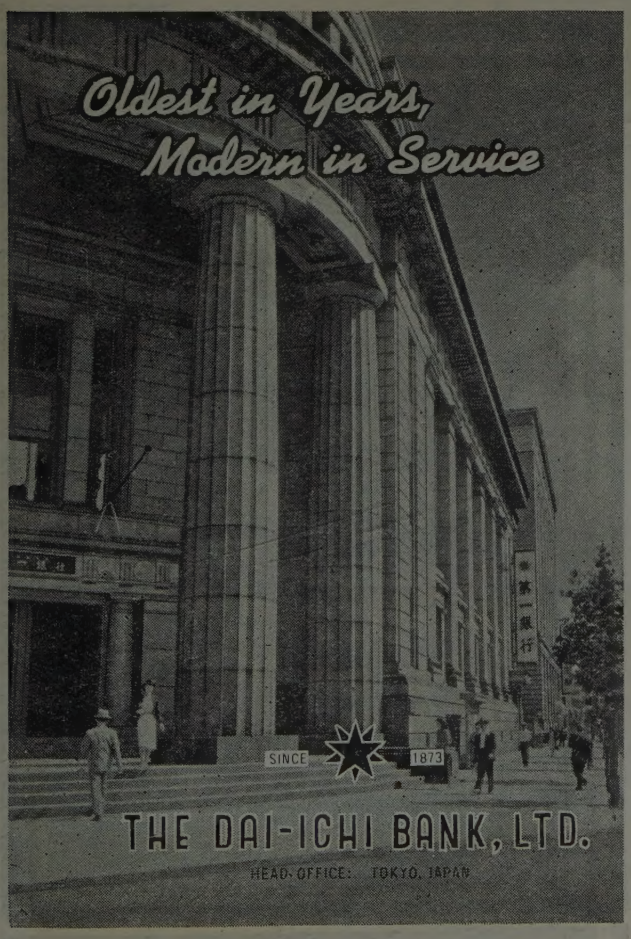
FOR COMPREHENSIVE
BANKING and
FOREIGN EXCHANGE
FACILITIES



THE MITSUBISHI BANK, LTD.

CAPITAL PAID-UP: ¥5,500,000,000
HEAD OFFICE: Marunouchi, Tokyo
BRANCHES: 155 throughout Japan

NEW YORK BRANCH: 120 Broadway, New York 5, N.Y.
LONDON BRANCH:
82, King William Street, London, E.C. 4



EASTERN WORLD

Independent **Impartial**
The Link Between East and West

This world-famous, influential monthly magazine published in London, contains all the essential politico-economic background information for those who play an important part in commercial relations between East and West.

Yearly Subscription: £1.10 (*12 issues, post-free*)
(*Airmail rates on application*)

ASIAN ANNUAL

A reference book for businessmen, giving the latest available trade information and statistics on Asian countries.

15/-

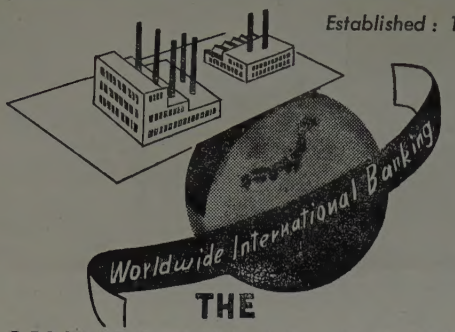
Order through your newsagent or direct from:

EASTERN WORLD

58, Paddington Street, London, W.1 (England)

FIRST
in
Industrial Finance

Established : 1902

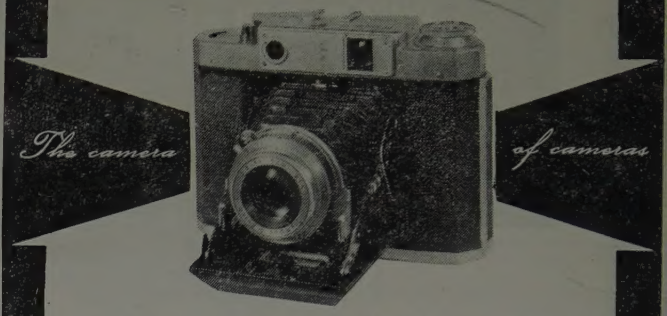


THE
INDUSTRIAL BANK
OF JAPAN, LTD.

HEAD OFFICE : Marunouchi, Tokyo
NEW YORK OFFICE :
30 Broad Street, New York 4, N.Y.

MAMIYA-6

Tops in popularity, finest Japan-made folding camera built-in coupled range-finder, with patented original moving plane focusing, rigid lens. The focusing is possible either in close or open position of the camera. All controls are well grouped for fast simple manipulation.



* Model V has coated 75mm f/3.5 ZUIKO lens, SEIKOSHA-RAPID shutter, 9 speeds 1 to 1/500, plus B, automatic film wind stop & exposure counter, and double exposure prevention device.
* K has coated SEKOR T. f/3.5 75mm lens, and COPAL 1 to 1/300 plus B, delayed timing device.
* Takes 12 or 16 pictures on each roll of 120 film.

S M

MAMIYA CAMERA CO., LTD.
No. 7 1-chome Hongo, Bunkyo-ku, Tokyo

PRINCIPAL PRODUCTS

ELECTRICAL AND MECHANICAL EQUIPMENT FOR POWER PLANTS AND SUB-STATIONS • ELECTRICAL EQUIPMENT FOR CHEMICAL AND TEXTILE INDUSTRY • ELECTRICAL EQUIPMENT FOR MINING, MARINE AND RAILWAY • W.H. METERS, MEASURING INSTRUMENTS AND REGULATING APPARATUS • AGRICULTURAL EQUIPMENT • HOUSEHOLD ELECTRIC APPLIANCES

Fuji Denki Seizo K.K.

Fuji Electric Mfg. Co., Ltd.

Cable Address :
"DENKIFUJI" Tokyo

HEAD OFFICE:
6, 2-Chome, Marunouchi, Chiyoda-ku, Tokyo

For your banking needs in Japan

ESTABLISHED: 1897

THE NIPPON
KANGYO BANK
LIMITED

HEAD OFFICE: HIBIYA, TOKYO

OVER 100 BRANCHES
THROUGHOUT JAPAN

The ORIENTAL ECONOMIST

VOL. XXIV NOVEMBER 1956 No. 553

Contents

REVIEW OF THE MONTH: Page
Tokyo-Moscow Ties Normalized 525
Sino-Japanese Trade 526
1957 Budget & Tax Cut 526
Sunakawa Problem 527
BUSINESS INDICATORS:
Production • Consumer Demand • Inventories • Prices • Living Cost 528
MONEY & BANKING:
Slightly Easier • 1st-Half Transition . . . 530
STOCK MARKET:
Steady Comeback • Selective Buying • Investment Trust 531
LEADING ARTICLES:
United States Curbing of Imports . . . 533
National Health 534
Steel, Power & Transportation 536
Foreign Exchange Budget 540
Building & Construction Boom 543
KALEIDOSCOPE:
National Income • 125,000 Communists • Cement Market • Steel Ingot Production • Contracts for Export Ships • Power Generation • Over-Equipment • Rice Crop . 545
INDUSTRY:
Ammonium Sulphate 546
VIEWS & TOPICS:
Atomic Fuel Corporation 550
By Yoshitake Sasaki
GLIMPSES OF JAPANESE CULTURE:
Surgery in Japan Today 554
By Seiji Kimoto, M.D.
COMMODITY MARKET:
Cotton Goods • Chemical Fibres • Woollen Yarn • Raw Silk 556
LABOR:
Improving Labor Market • Wage Hikes Active • Unemployment White Paper . . 557
FOREIGN TRADE:
Trade in September • U.S. Restrictions on Cotton Goods • Trade Talks with U.K. & Australia • China-Japan Joint Communique on Trade 558
INVESTMENT OUTLOOK:
Growth Stocks Marching • Mitsui Bussan Merger 560
BOOK REVIEW: 562
STATISTICS: 563

Entire Contents of this publication are copyrighted. The Oriental Economist does not necessarily endorse the views expressed by authors of signed articles.

Single copies ¥180; Annual subscription ¥2,100; Overseas ¥2,300.

Published monthly by The Oriental Economist, Nihonbashi, Tokyo, Japan.

Review of the Month

TOKYO-MOSCOW TIES NORMALIZED

THE epochal Japan-Soviet declaration restoring diplomatic ties between the two countries was inked in the Marble Room of the Kremlin on October 19. The joint declaration was signed by Prime Minister Ichiro Hatoyama, Agriculture-Forestry Minister Ichiro Kono and Shun-ichi Matsumoto, a member of the House of Representatives, representing Japan and Nicolai Bulganin, Chairman of the Council of Ministers, and Foreign Minister Dmitri Shepilov on behalf of the Union of Soviet Socialist Republics. Together with the joint declaration, the protocol on commerce and navigation was also signed. The joint declaration provides for the overall settlement of all the problems outstanding between the two countries, with the lone exception of the territorial issue by calling for 1) the termination of the state of war between Japan and the Union of Soviet Socialist Republics; 2) the exchange of diplomatic envoys of the Envoy Extraordinary and Ambassador Plenipotentiary level through the resumption of diplomatic and consular relations; 3) the mutual promise not to interfere, either directly or indirectly, with the domestic affairs of the other, regardless of whether for economic, political or ideological reasons; 4) the Soviet support to Japan's application for admission to the United Nations; 5) the release and repatriation of Japanese nationals convicted in the Union of Soviet Socialist Republics; 6) the Soviet renouncement of its reparations claims against Japan; 7) the start of negotiations for the conclusion of a treaty or agreement for the purpose of placing their trade, maritime navigation and other commercial relations on a stable and friendly basis. (On the basis of this clause, the protocol on trade, commerce and navigation was signed); 8) the effectuation of the Treaty Between Japan and the Union of Soviet Socialist Republics Concerning Fishing in the Open Sea of the Northwest Pacific and the Agreement Between Japan and the Union of Soviet Socialist Republics Concerning Cooperation for the Rescue of Persons in Distress at Sea, concluded in Moscow on May 14, 1956, with the coming into effect of the declaration.

The territory issue continued to be the hardest nut to crack throughout the present Moscow negotiations and was eventually left outstanding until the time of the formal signing of a peace treaty. Thus, the immediate return of Habomai and Shikotan, the most important assignment of Prime Minister Hatoyama's personal visit to the Soviet capital and the greatest expectation of the Japanese people from the highest-level Moscow talks, failed to materialize, as the Soviet attitude towards this problem remained immutable. The Moscow negotia-

tions resulted in no better terms to the Japanese side as far as the territory issue was concerned than the London talks conducted by Ambassador Shun-ichi Matsumoto and the first Moscow talks in which Foreign Minister Mamoru Shigemitsu participated. The clause in the joint declaration providing for the territorial problem reads as follows: "The Union of Soviet Socialist Republics shall agree to the retrocession of the Habomai group and Shikotan Island to Japan in response to the desire of the Japanese people and in consideration of the interests of Japan. These islands will be actually returned to Japan following the conclusion of a peace treaty between Japan and the Union of Soviet Socialist Republics". For all the fanfare which preceded and followed the Moscow negotiations, however, the Japanese people have been left completely mystified by the Kremlin finale as they consider it extremely inexplicable that Japan is now restoring diplomatic ties with a country which is still occupying a Japanese territory. They are not irrelievably disappointed, however, as they know that the normalization of relations with the Soviet Union will serve to help restore diplomatic ties with other Communist countries and thereby elevate the nation's position in international politics. The majority of Liberal-Democrats are in approval of the Moscow ending and the Socialists are supporting Mr. Hatoyama's position. Under the circumstances, it is very likely that the joint declaration will be ratified without difficulty at an extraordinary Diet session due to be opened in mid-November.

SINO-JAPANESE TRADE

SOVIET Foreign Minister Dmitri Shepilov declared that Japanese-Soviet foreign trade would possibly grow up to 1,000,000,000 rubles ($250,000,000) both ways within the coming five years. There is no doubt that commercial intercourse between Japan and the Soviet Union will come into the limelight after the restoration of diplomatic ties. For all the bright prospects of trade between the two countries, some fear is attached to the balance of commercial exchanges. Japan will be able to export machinery, generators, steel materials, textiles and other finished products while her imports from the Soviet Union will be restricted to a restricted list including lumber, coal, petroleum and ores in not particularly large quantities. To damp the enthusiasm of Japanese traders further, the export prices of Soviet products are reported generally high. Instead, Japanese financiers have been attaching greater importance to trade with Communist China, and their expectations were not betrayed in view of the warm reception given by the Peking populace to a Japanese sample fair opened in the Chinese capital from October 16. The popularity of the fair was highlighted by the recent visit of Chairman Mao Tse-tung and Premier Chou En-lai. The Chinese Premier said: "The Chinese people are taking great interest in the Japanese sample fair as they want to learn how much Japanese industry will be able to contribute towards China's five-year industrial plan". Japan has certainly many things which China wants and also requires just as many from China. China so far has depended on the Soviet Union and Eastern European countries for about 80 percent of all capital goods and part of consumer goods it has demanded for national construction. According to latest reports, however, the Communist bloc has become unable to supply a huge quantity of goods and materials wanted by China for the enforcement of its second five-year program, and purchases are now being made from Western European countries. Hence, trade between Japan and China is bound to expand further in the absence of political barriers. In view of the recent moves of Western European countries and under the pressure of Japanese public opinion, the Government has begun to adopt a policy of positively utilizing COCOM exceptions in pushing trade with China. Private circles here are equally eager for boosting trade with China. A group of Japanese leaders representing the Diet Members League for Promotion of Japan-China Trade and other similar organizations recently visited Peking and conferred with the representatives of the People's Committee for Promotion of International Trade on the ways and means for accelerating trade between Japan and China.

Japan may not be able to restore relations with Communist China so easily as those with the Soviet Union because of her diplomatic ties with Taipeh and Washington. For all that, commercial transactions may well be increased between Japan and China within the purview of diplomatic restrictions.

We only regret that among the articles put on spot sales started at the sample fair from October 23 were reportedly found some defective items to the disappointment of well-intentioned Chinese customers. Competent Japanese quarters are strongly urged to take immediate and effective measures to restore the reputation of Japanese articles lost by such an incident so that commercial ties between our two countries may be reestablished on the basis of fair and conscientious transactions.

1957 BUDGET & TAX CUT

FINANCE Minister Hisato Ichimada commenting on the huge ¥1,700,000 million demands for budgetary appropriations in the budget next year by various Ministries, manifested his intention to squeeze the fiscal 1957–58 budget into a ¥1,100,000 million frame (the 1956–57 budget totals ¥1,035,000 million). The Finance Minister's budget goal, if realized, will mean a drastic cut of some ¥600,000 million out of the ministerial requests. Mr. Ichimada also voiced his approval of the ¥100,000 million tax cut plan drafted by the Taxation System Research Council and promised a large-scale tax reduction.

On the other hand, the proposed tax cut, if carried out in toto within the budgetary frame in the mind of the Finance Minister, will leave no surpluses available for any fresh ministerial demands. With the Administration Liberal-Democratic Party due to redouble its budget-grabbing offensive for its policy operations, the smooth adjustment between the tax cut operation and party policy

manipulation will be the final crux of the budget compilation.

The tax burden on the Japanese people has become extremely heavy today as compared with prewar, and the worst is the case of income tax. Compared with the 1934–36 averages, the real national income in 1956 is 1.3 fold and the total tax revenue stands at 2.5 fold while the income tax revenue alone reaches 6.25 fold. Of the total income tax revenue, the income tax on wages paid by the salaried stratum accounts for about 80 percent. The tax exemption point for a family of five (the couple with three children) today stands at the annual income of ¥246,600, which almost equals the exemption at ¥242,300 in 1940 but is far behind the equivalent at ¥570,000 in 1935. Tax rates for higher incomes are increased at a sharp tempo. The family of the same size with the annual income of ¥400,000 is required to pay ¥24,500 in income tax. The tax rises to ¥52,895 for the ¥500,000 bracket, ¥117,757 for the ¥700,000 bracket and ¥232,920 for the ¥1,000,000 bracket. In addition, some 21 percent of the income tax is also collected as the local tax. The income tax rate as it stands today, when compared with that in 1940 (when the exemption point stands almost equal), is 1.9 fold for the annual income of ¥300,000, 3.4 fold for ¥500,000, 4.6 fold for ¥800,000, 3.7 fold for ¥1,000,000 and 2.6 fold for ¥2,000,000.

A similar change has also taken place in the composition of income tax revenue. In 1935, the group with the annual income in excess of ¥5,000,000 paid 55.3 per cent of the total income tax revenue while in 1956 the low bracket with the annual income ranging from ¥300,000 to ¥1,000,000 is paying as much as 58.7 per cent while the share of the ¥5,000,000 group dwindles to only 3.8 percent. This comparison eloquently shows that the tax burden on the middle stratum with incomes from ¥500,000 to ¥1,000,000 is excessively heavy.

A drastic lowering of the income tax rate with particular stress on the middle income stratum is the aim of the income tax revision proposed by the Taxation System Research Council. This revision plan, if realized, will elevate the exemption point from the present ¥246,000 to about ¥270,000 and will about halve the income tax for wage earners with the annual income at around ¥500,000.

SUNAKAWA PROBLEM

Land surveying operations at the Town of Sunakawa near Tokyo for extending the U.S. Tachikawa Air base were carried out under heavy police guard on October 12 and 13. In a series of fierce clashes which ensued between policemen (numbering 1,300 on the first day and 2,000 on the second) and Sohyo-mobilized trade unionists and leftist students belonging to the National Federation of Students Self-Government Associations (estimated at 3,000 on the first day and 3,500 on the second), more than 1,000 were injured. In view of the serious outcome, the Government has temporarily suspended surveying operations since October 15, although they may be resumed at any time. The Government is legally authorized to conduct compulsory surveys preliminary to expropriating land in accordance with the law based on an international treaty. If, therefore, the execution of such an official operation is forcibly obstructed, the Government is legally empowered to exclude such obstruction by police force. The attitude taken by the Procurement Agency (in charge of surveying operations) and the police force was not mistaken since it was aimed at protecting law. The mobilization of the police force cannot be called illegal simply because of excesses in the conducts of policemen in some individual cases. This is an entirely different question. More blamable is the attempt of the Socialist Party members who resorted to direct action to prevent the execution of the terms of an international agreement concluded by Japan with a foreign country and ratified at the Diet to which they are elected.

The tract of land scheduled for the second expropriation covers an area of 3,000 tsubo adn 400 tsubo left unsurveyed at the time of the first expropriation in the autumn of 1955. With all necessary legal steps completed, competent authorities appear determined to push land surveyings for the second expropriation to the last at all hazards. For all the precautions taken against possible eventualities, however, the Government appears lacking in the necessary efforts to seek the understanding of the Sunakawa residents and the people in general for the nature and significance of the expropriation. In newspapers as well as radio programs, the opposite stand of the Socialist Party and trade unions alone have been prominenced while the Government views and explanations have been almost completely neglected. Hence, the Government's good faith shown towards the inhabitants of Sunakawa has been kept entirely unknown to the people at large. For instance, for farmland taken in the Sunakawa area in the first expropriation, the Government made successive concessions to pay as high a compensation as ¥400,000 per tan, about twice the present market price and acceded to reasonably liberal terms in taking care of house dismantling, removal and reconstruction expenses. Thus, of the total of 131 households to be affected by the expropriation, some 66 accepted the Government terms. It appears that the terms for the second expropriation are just as elastic and liberal. In the present tug-of-war, the Government is not confronted by the very residents of Sunakawa. The latter's place has been taken by under Sohyo's aegis, leftist students and the Socialist Party which would never listen to any economic concessions. They are not opposed to the expropriation of land in sympathy with the Sunakawa residents. They are opposing the very existence of American bases in this country and are taking advantage of the Sunakawa case to propagandize their opposition. Thus, the problem is now entirely political in nature and no governmental persuasion is expected to avail. The Government, on its part, might have carried the matter through a little more smoothly by the force of public opinion had itendeavored more to obtain the popular understanding. With nearly 11 years elapsed since the end of war, the international situation has changed markedly in the interim and the time appears ripe for a close study of the U.S.–Japan Administrative Agreement for its timely revision, if not a total abrogation.

Business Indicators

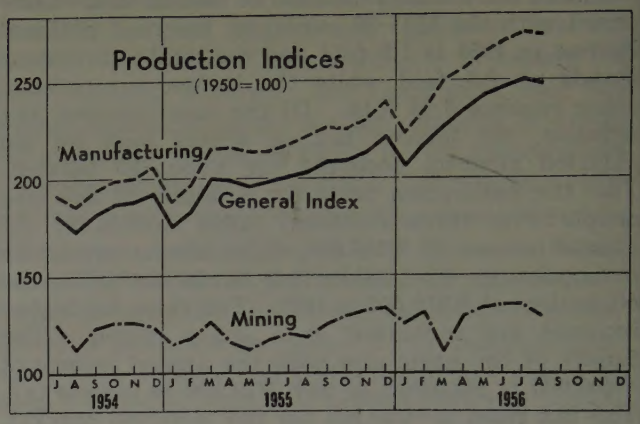
Production:—The August production index registered 249.1 (on the basis of the 1950 average), marking a fractional loss of 0.9 per cent from the July level. The August slip, however, was not taken by experts as any concrete sign of the fear entertained in some sections that production has at last hit the ceiling is not justifiable, as the August slip was just a temporary phenomenon, largely due to the retreat of the mining group resulting from typhoons and successive holidays in rural districts. The manufacturing group continued its gallop almost at an unabated pace. For instance, the August production of rolling stock was 2.5 fold the equivalent a year ago. Steel ships were 2.2 fold up and machinery gained 50 percent. Petroleum products registered a 40 percent hike, followed by a 30 percent climb by rubber goods. Other items such as leather goods, chemicals, ceramic products, iron-steel and paper-pulp also forged ahead by around 20 percent. Thus, the total average in August (mining and manufacturing inclusive) stood some 23.7 percent higher than a year ago. On the other hand, the tempo of equipment investments was somewhat retarded by the shortage of electric power and steel materials as well as the lag in transportation under the summer hot spell. Signs of overproduction were evident in many branches, including, above all, cotton spinning, spun rayon, pulp, petroleum, cement, soda, fertilizer, household electric appliances and pharmaceuticals, offering dampers to curb the future gain in production. Hence, no particularly sharp increase may be expected for some time to come.

1. AUGUST PRODUCTION INDICES
(1950=100)

	July, 1956	Aug., 1956	Against July, 1956	Against Aug., 1955
Mining-Manufacturing	251.3	249.1	99.1	123.7
Mining	135.5	129.1	95.3	109.1
Manufacturing	275.2	273.8	99.5	125.4
Iron & Steel	236.0	234.8	99.5	119.9
Non-Ferrous Metals	200.3	200.2	100.0	115.6
Machinery	301.5	298.6	99.0	154.7
Steel Ships	600.5	600.5	100.0	222.7
Rolling Stocks	197.6	197.6	100.0	253.0
Textiles	308.7	304.6	98.7	121.7
Paper & Pulp	287.2	293.4	102.2	118.1
Chemicals	255.7	250.4	97.9	123.7
Pharmaceuticals	966.0	966.0	100.0	98.2
Oil Products	496.4	499.0	100.5	139.0
Ceramics	219.2	223.9	102.1	120.7
Rubber Goods	178.3	185.0	103.8	130.0
Leather Goods	275.3	283.2	102.9	124.9
Daily Necessaries	226.7	233.1	102.8	119.3
Lumber	167.6	167.6	100.0	112.3
Foodstuffs	225.8	231.8	102.7	102.5
Tobacco	151.8	158.8	104.6	103.7

Source: MITI.

Consumer Demand:—The continued animation of production owes much to expanding exports. For example, exports of steel ships during the first half of fiscal 1956 (April to September) were about five fold the equivalent total in the like period in 1955. Overseas sales of other key Japanese products such as pottery, fish and shellfish, rayon fabrics, spun rayon fabrics, etc. also advanced 50–65 percent during the period under review. Equally brisk were domestic demands, particularly on the spur of lively equipment investments. The monthly average of orders for machinery received during the January-June period this year was as high as 2.3 fold the corresponding average in 1955, and a further hike (about 2.5 fold) was witnessed in July. Compared with the sharp rising tempo of equipment investments, however, the advance of the general consumption level was rather slow with the average consumption index (inclusive of the indices in the Tokyo metropolitan area and rural areas) in the January-June period up only about 6.0 percent over a year ago. The increasing enthusiasm of the urban and suburban populations to save has apparently been applying the brake to lavish consumer spending in all strata of society. Nevertheless, sales of durable goods such as electric washing machines have continued active, contributing markedly towards the increase in the proceeds of department stores. According to MITI, sales of department stores throughout the country in July were 22.6 percent larger than a year ago and the expansion was just as large in August.



2. DEPARTMENT STORE SALES

	1953—54 ¥100 million	1953—54 Indices (A year ago as 100)	1954—55 ¥100 million	1954—55 Indices (A year ago as 100)
January	128.3	104.8	145.8	113.6
February	120.7	95.1	145.3	120.4
March	173.3	106.8	203.1	117.2
April	166.3	108.3	196.2	118.0
May	147.9	104.7	176.2	119.2
June	147.1	107.2	181.1	123.1
July	193.1	105.9	236.9	122.6

Source: Compiled by *The Oriental Economist* from MITI figures.

Inventories:—As production began to mark time and consumer demands continued to gain, the march of inventories started to slacken its pace. Thus, manufacturers' inventories registered a 1.8 percent drop in August from the July mark and stood about 10.0 percent behind the equivalent a year ago. The recession of mining products (including coal) was most spectacular, as the August-end stocks were

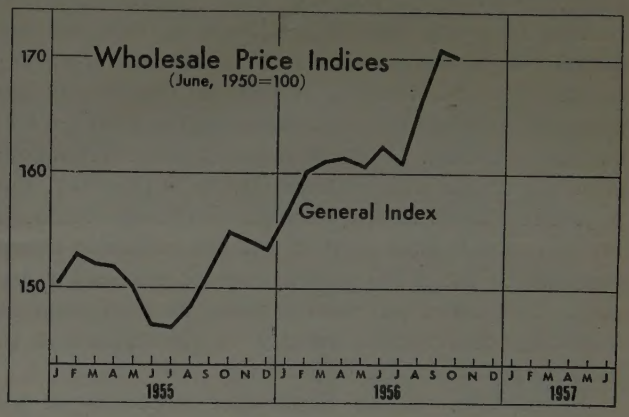
less than half the mark a year ago. Machinery dipped about 20.0 percent and iron and steel were 10.0 percent less. The noteworthy decrease of coal stocks by the renewed animation of coal consumption under the continued business boom accounted for the slip of inventories of mineral products in general. The retreat of iron-steel inventories was due to the sharply-rising demands for steel materials led by ship plates as well as steel items for building and machinery industries. The iron-steel production in August, which excelled a year ago by over 20 percent, was unable to meet bulky contracts and stocks were apparently exhausted. Machinery inventories also dipped markedly as contracts based on active equipment investments continued active, and this trend is likely to remain unchanged for some time. On the other hand, inventories of raw materials have been on the gain with the August index registering a 28.3% increase over a year ago, as brisk imports have sufficiently replenished stocks. With the high rate of production likely to continue unabated, manufacturers' inventories are bound to recover from about September.

3. INDICES OF MANUFACTURERS' INVENTORIES
(1950 average=100)

	July, 1956	Aug., 1956	Against July, 1956	Against Aug., 1955
Mining-Manufacturing	136.9	134.5	98.2	90.8
Mining	57.5	55.0	95.7	45.7
Manufacturing	147.0	144.6	98.4	95.4
Iron & Steel	156.3	151.2	96.7	89.5
Non-ferrous Metals	80.5	82.1	102.0	106.2
Machinery	132.8	133.9	100.8	79.4
Textiles	123.1	120.7	98.1	92.5
Paper, Pulp	276.2	263.3	95.3	98.4
Chemicals	254.2	250.5	98.5	107.5
Petroleum, Coal Products	166.6	166.2	99.8	119.1
Ceramics	141.6	142.6	100.7	97.8
Rubber Goods	222.7	196.7	88.3	115.8
Hides, Leathers	121.2	126.1	104.0	108.5
Others	87.3	98.3	112.6	98.9

Source: Ministry of International Trade & Industry.

Prices :—With manufacturers' inventories slipping and the balance of supply and demand growing acute, prices naturally started to rebound. The sharpest gainer in recent months was the iron-steel group which in early October stood 57.0 percent higher than the July low (1955), although some speculative operations partly accounted for the sharp hike. The prices of steel materials apparently hit the ceiling in late September through early October and the market is steadily softening principally due to the Government decision to make an extra foreign exchange allocation for importing 500,000 tons of steel materials. As major steel companies are planning to boost production, the supply-demand balance will be more or less normalized and the steel prices will become stabilized towards the end of the year. Foodstuffs followed iron and steel in the latest price advance with the mid-October index up well over 12.0 percent over July, 1955. With the advent of the autumn harvest-delivery season, however, the prices of food items are certain to weaken. Building materials also rebounded by 11.0 percent apparently in reaction to the wide recession in recent months. Fuel items gained about 5.0 percent on the strength of the coal advance, although the rising pace was somewhat retarded by the drop of petroleum prices. Thus, the total October average of wholesale prices marked a sharp increase of 16.6 percent, leading some sections to fear the possible advent of the price inflation. The October mark, however, was a small gain of only 5.6 percent over the 1954 high (in February), as compared with the 7.0 percent hike of the American wholesale prices (mining and manufacturing) and the gain of 9.0 percent in the wholesale prices of manufactured goods in Britain during the corresponding period. With the lone exception of iron and steel which skyrocketed, all major commodities remained rather calm and sound.



4. WHOLESALE PRICE INDICES
(June, 1950=100)

	July 1955	Dec., 1955	Oct., 1956	Against July, 1955	Against Feb., 1954
Total Average	146.7	153.5	171.1	116.6	105.6
Foodstuffs	134.8	143.9	151.4	112.3	90.9
Textiles	90.8	89.0	92.0	101.3	86.1
Fuels	157.9	160.4	165.3	104.7	104.4
Metals	212.1	244.6	332.9	157.0	152.5
Machinery	180.9	175.2	189.7	104.9	101.6
Building Materials	206.8	206.7	229.2	110.8	93.4
Chemicals	100.0	104.0	106.1	106.1	98.1
Sundries	135.9	140.0	133.7	98.4	99.2
Consumer Goods	131.6	138.8	145.4	110.5	93.4
Producer Goods	154.9	161.5	185.0	119.4	111.6
Total Average minus Foodstuffs	150.4	164.3	177.2	117.8	110.2

Note: As of mid-month.
Source: Economic Planning Board.

Living Cost :—Despite the stiff tone of wholesale prices, the retail prices continued comparatively quiet with the result that the cost of living kept on marking time with the August index up fractionally by 1.3 percent. Compared with a year ago, however, the August level was also a gain of only 0.2 percent The decline of food prices, a major spending factor in the household budget, was respon sible for the quiet retail price movement in August. The housing expense, on the other hand, climbed 11.5 percent during the year under review, as rent and repairing expenses swelled. The strong tone of wholesale prices, however, is likely to spread to retail prices in the near future and the consequent rise of the living cost will be inevitable.

5. TOKYO CONSUMER PRICE INDICES
(1951=100)

	July, 1956	Aug., 1956	Against July, 1956	Against Aug., 1955
Total Average	115.0	116.5	101.3	100.2
Foodstuffs	107.8	110.3	102.3	97.5
Staple	121.2	121.2	100.0	96.2
Non-staple	100.7	104.5	103.8	98.3
Clothing	82.8	82.4	99.5	101.6
Light-Fuel	136.4	136.6	100.1	101.4
Housing	143.1	144.3	100.8	111.5
Miscellaneous	142.0	142.4	100.3	102.8

Source: Bureau of Statistics, Prime Minister's Office.

Money and Banking

Slightly Easier :—Money in September tended to grow slightly easier due to the unexpected excess of payments over withdrawals in the financial fund account and a sound gain of bank deposits. It was originally expected that September would mark the public-to-Treasury balance well topping ¥15,000 million or even reaching ¥17,000 million, but the actual result was an excess of payments over receipts to the amount of ¥5,000 million chiefly because of a sizable overpayment in the Foreign Exchange Account. Due to a sharp increase in foreign exchange acceptances during September, the payment excess in the Foreign Exchange Account for the month amounted to ¥12,800 million in sharp contrast to the ¥600 million receipt excess for August. The large payment excess in that account naturally contributed greatly to the expansion of bank deposits during September.

Meanwhile, in the September accounts of all banks throughout the country, loans registered a gain of ¥152,200 million, a new postwar high well in excess of the June increase of 115,900 million. The sharp increase of loans, however, was well counterbalanced with the equally large hike of deposits which rose by ¥152,100 million during the month to mark a new postwar peak. Responsible for the advance bank deposits in September were: 1) the sharp increase of loans which stimulated the corresponding animation of deposits; 2) the marked excess of payments over receipts in the Foreign Exchange Account; and 3) large share payments for corporate capital increases which mostly found their way to banks as deposits. The advance of bank loans was due to the rising term-end demand for settlement and running funds and activation of equipment investments.

Reflective of the easier money situation, loans by the Bank of Japan receded by ¥1,300 million during September. The note issue during the month, however, gained by ¥7,000 million to the month-end balance of ¥599,500 million due to the ¥5,000 million payment excess of financial funds, as shown in Table 1.

1st-Half Transition :—The first half of fiscal 1956 (April to September) witnessed the receipt excess of ¥43,700 million in financial funds as the September payment excess of ¥5,000 million served to prevent its further growth, but it was still a striking contrast to the ¥111,600 million payment excess registered in the corresponding period in 1955. The marked difference of the financial fund movement in the first half of the current fiscal year as compared with the like development in the first half of fiscal 1955 is attributable to three major reasons. 1) On the spur of the continued business boom, the tax revenue increased favorably, and brought ¥49,100 million more of private funds to the Treasury during the first half of the current fiscal year than in the like period last year; 2) The business boom also served to boost incomes from the National Railways, postal services and other government enterprises by about ¥7,300 million; 3) Due to active imports, the payment excess in the Foreign Exchange Account during the first half of the current fiscal year dropped to only ¥11,500 million as compared with ¥82,600 million a year ago.

In the accounts of all banks during the first half, a sharp increase in loans was noteworthy. During the April-September period, the gain of bank loans reached ¥462,300 million, or 4.5 fold the like increase in the first half of fiscal 1955 at ¥103,500 million. On the other hand, the increase of real deposits also reached ¥389,400 million, far surpassing the corresponding gain of ¥219,400 million a year ago, although the rising tempo of deposits failed to catch up with the gaining pace of loans. Thus, a tendency towards a state of overloan became evident. The notable growth of loans is ascribable to three outstanding factors, as follows: 1) Active withdrawal of private funds in the first half as well indicated by the ¥43,700 million receipt excess of financial funds; 2) Marked activation of production and business transactions and the corresponding rise of cash dealings; 3) The adoption of a positive loan policy adopted by banks to cope with the increasing animation of equipment investment. Under the influence of the receipt excess of financial funds and the expansion of bank loans, loans extended by the Bank of Japan increased ¥64,000 million and the Bank of Japan note issue swelled ¥24,700 million during the April-September period. This represented a sharp contrast with a ¥108,600 million decline of the Central Bank's loans during the like period in 1955.

1. MONEY IN SEPTEMBER
(In ¥100 million)

	September, 1956	September, 1955
Note Issue (End of August)	5,925	5,408
Note Issue (End of September)	5,995	5,298
Increase or (–) Decrease	70	(–) 110
Financial Fund Balance (1)	50	70
Short-Term Govt. Notes (2)	(–) 2	0
Bank of Japan Loans (3)	(–) 13	(–) 209
Others (4)	35	29
(1)+(2)+(3)+(4)	70	(–) 110

Source: Compiled by *The Oriental Economist.*

2. MONEY IN 1ST HALF (APRIL-SEPT.)
(In ¥100 million)

	First Half 1956	First Half 1955
Note Issue (End of March)	5,748	5,307
Note Issue (End of September)	5,995	5,298
Increase or (–) Decrease	247	(–) 9
Financial Fund Balance (1)	(–) 437	1,116
Short-Term Govt. Notes (2)	27	0
Bank of Japan Loans (3)	640	(–)1,086
Others (4)	17	(–) 39
(1)+(2)+(3)+(4)	247	(–) 9

Source: Compiled by *The Oriental Economist.*

Stock Market

Steady Comeback:—The stock market has been steadily recovering. The Dow Jones average of 225 pivotals, which, after having hit a new high of ¥507.31 on August 6, continued slipping to reach a low of ¥482.70 on September 12, began to steady gradually and stood at ¥495.14 as of October 13. The daily volume of turnovers during the period from October 1 to 13 averaged 12,807,000 shares, still far behind the like average in the first eight months of the current year, but well ahead of the September daily average of 12,127,000 shares. With no particularly strong factors signifying the advent of the "autumn boom" are apparent, there is no denying that the market has been steadily regaining strength.

1. SHARE PRICES AND TURNOVERS

	Share Prices (Yen)			Average Daily Turnovers
	High	Low	Average	(1,000 shares)
1955: September	388.42	388.13	386.15	8,831
October	410.29	385.57	401.47	12,080
November	410.36	393.28	401.53	12,115
December	425.69	398.11	409.81	15,992
1956: January	481.60	420.14	426.46	14,886
February	430.64	422.50	429.71	15,485
March	458.58	440.17	444.29	18,907
April	487.35	462.41	472.22	28,485
May	488.43	472.10	480.55	24,355
June	512.25	491.03	502.21	27,528
July	502.14	482.87	490.80	16,042
August	507.31	493.69	503.03	15,450
September	492.92	482.70	487.24	12,127
October (1–13)	495.14	487.15	490.68	12,807

Source: *The Oriental Economist.*

Among the major deterrents braking the early comeback of stock prices are the impact of bulky capital increases, the uncertain outlook of the Soviet-Japanese talks at Moscow and the possible continuance of the tight money situation into the third quarter. For all that, it appears certain that the stock market is gradually getting rid of some other dampers. For instance, the balance of accommodations extended by the Japan Securities Financing Corporation for credit transactions, which exceeded the ¥8,000,000,000 mark in June and July, has dwindled to ¥4,900,000,000, indicating that payments for shares bought at high prices in credit transactions have been well progressing. With corporate business results continuing to improve, therefore, selective buying for stocks giving fair yields is bound to start. According to Yamaichi Securities Co., the average yield of the 225 pivotals listed with the Tokyo Securities Exchange as of October 15 stood at 6.61% and that of 218 dividend-giving shares registered 6.70% while the average of 200 high-yield stocks reached 7.44% with some of them exceeding 8.00%.

Selective Buying:—The comparison of the prices of the 225 listed industrials as of September 12 (the month's low) and the October 13 equivalent shows the gain of 2.57% in the total average. Of the 14 groups into which the 225 pivotals are divided, eight groups registered increases while six groups marked drops. Among the gainers, the recovery was particularly noteworthy with fisheries (up 7.96%), chemicals (up 6.28%), textiles (up 6.42%), shipbuilding-machinery (up 4.32%), mining (up 3.42%) and iron-steel-metals (up 2.06%). Within the losers, foodstuffs registered the sharpest decline of 2.02% while the recession of others was less than 1.0%. As the latest trend of the stock market, shares of companies showing encouraging business results have been more actively pursued in selective buying operations.

2. PRICE FLUCTUATIONS OF 225 PIVOTALS

Groups	Sept. 12 (Yen)	Oct. 13 (Yen)	Losses or gain (+)	%
Averages of 225 Pivotals	482.70	495.14	(+)12.44	2.57
Banking, Insurance	631.51	619.86	(−)11.65	1.48
Railway Transportation	310.67	307.16	(−) 3.51	1.12
Shipping	270.44	268.50	(−) 1.94	0.71
Gas, Electricity	200.37	197.58	(−) 2.81	1.40
Mining	416.04	430.30	(+)14.26	3.42
Shipbuilding, Machinery	231.10	242.10	(+)11.00	4.32
Iron-Steel, Metals	112.62	114.95	(+) 2.33	2.06
Textiles	612.12	651.43	(+)39.31	6.42
Foodstuffs	968.25	946.86	(−)21.39	2.21
Fisheries	147.68	159.44	(+)11.76	7.96
Chemicals	415.18	445.41	(+)30.23	7.28
Miscellaneous	504.35	520.69	(+)14.34	2.84
Commerce	878.67	875.64	(−) 3.03	0.34
Amusements	367.19	377.39	(+)10.20	2.77

Source: *The Oriental Economist.*

Investment Trust:—Investment in stocks was more or less monopolized by monetary institutions including banks and insurance companies until the spring of 1956 with the wage-earning masses far in the background. This tendency was quite justifiable, as easy money and the resultant slip of money rates combined to compel monetary organs to take to stocks as a more lucrative means for utilizing idle funds in hand. From the late spring, however, money began to stiffen and the dropping tempo of money rates started to slacken on the one hand and the volume of securities held by monetary institutions reached a huge total. Hence, they have become far less hasty in share buying while the masses have begun to advance in positive buying, although the volume of stocks held by the latter has not as yet come to a big total. On the other hand, indirect investment in stocks by the masses through investment trust operations has continued active. As shown in Table 3, the monthly schedule of investment trust acceptances since the start of the current year has continued to stand well over the ¥4,000 million mark with the lone exception of April with the total volume of contracts so far concluded reaching ¥185,296 million as of the end of September, this year. The balance of investment trust contracts outstanding as of the September-end also totalled ¥62,177 million, the highest in the first nine months of 1956, although it was still below the equivalent balance of ¥72,914

million as of the end of September, 1955. The continued activity of investment trust has been attributable to two reasons—the lack of sufficient knowledge for direct share investment among the masses and the greater security of indirect stock investment through securities merchants. Positive selective buying directed towards fair-yield shares for investment trust operations by securities companies is expected to offer a strong prop to the future decline of stock quotations.

3. INVESTMENT TRUST OPERATIONS
(In million yen)

Year & Month	Contracts	Total Contracts	Cancelled	Redeemed	Outstanding Balance
1956: Jan.	4,000	161,419	2,265	1,417	59,738
Feb.	4,040	165,459	2,582	1,517	59,679
March	3,700	169,159	2,956	1,992	58,431
April	3,850	173,009	2,350	1,148	58,784
May	4,120	178,129	2,280	1,498	59,126
June	4,050	181,179	2,480	1,019	59,678
July	4,117	185,296	1,903	1,935	59,957
Aug.	4,368	189,664	1,804	1,130	61,391
Sept.	4,016	193,680	1,692	1,534	62,177
Sept. (1955)	3,170	146,680	4,625	33	72,914

Alien Investment:—Foreign investors, hitherto allowed to purchase in yen currency only new stocks issued at the time of new corporation establishments or capital increases, have now been permitted to buy old shares in circulation in the market. The new system took effect as of October 30. The new privilege will be available to the nationals of the United States, Uruguay, the Netherlands, Denmark, Sweden, Finland, Switzerland, Greece, Spain, Yugoslavia, West Germany, Thailand, Nationalist China, France, Britain and India. Yen currency holdings owned by foreigners in Japan are divided into four categories: 1) Yen currency accumulated by foreign motion picture companies through receipts for the distribution of films in Japan amounting to some ¥2,100 million; 2) Compensations for allied properties amounting to ¥860 million and deposits of foreign diplomatic services in Japan valued at ¥530,000,000; 3) Remittances made in foreign currency made by foreign corporations to their branches or agencies and converted into yen in this country, and their earnings from their business activities in Japan; and 4) Blackmarket yen acquired through the free exchange market. Of those four kinds of yen currency holdings by foreigners, the Japanese Government is understood not to recognize the acquisition of Japanese stocks with the accumulated yen owned by motion picture companies. Yen currency falling under Category 2 is not expected to be invested in shares in view of its character. Hence, yen holdings coming under Category 3 are most likely to be channelled to stock investment, although the possibility of blackmarket yen being directed towards buying Japanese shares cannot be disregarded. Under the new regulations, the Government reserves the right to restrict the volume of Japanese shares in certain specific industries to be acquired by foreigners.

How *can you invest in 150 or more Japanese growing stocks for as little as $13.94 ???*

Through *Nikko's Investment Trust* of course!! A share of *Nikko's Investment Trust* represents an ownership interest in a broad cross-section of stocks and bonds so that adequate diversification is provided for both large and small investors.

Why not get the facts now!

Simply write or call - - - -

FOREIGN DEPARTMENT

The Nikko Securities Co., Ltd.

(*In the New Marunouchi Bldg., Right opposite Tokyo Central Station*)
Tel.: 27-1201, 1301, 1411

San Francisco Office: **Nikko Kasai Securities Co.**
2165 California Street, S.F., Calif., U.S.A.

Los Angeles Office: 258 E. 1st Street, Los Angeles, Calif., U.S.A.

New York Correspondents: **Bache & Co.**
36 Wall Street, New York 5, N.Y., U.S.A.

United States Curbing of Imports

It appears to be generally opined that regardless of the outcome of the forthcoming presidential election there will continue to be expansion of the scope of the restrictions imposed on import trade by the United States Government. The reason for this view is the inclusion in the platforms of both the Republicans and the Democrats of some measure of protectionism.

If this prediction is not altogether incorrect it means that there will be something more than the mere casting of a shadow upon the future of Japanese exports to the United States. Because a new phase in the economic competition for world markets appears to be in the making, the action of the United States to restrict import purchases will undoubtedly give rise to a general trend among the other nations of the world to resort to protectionism.

Reports have it that both the Republican and the Democratic Parties have formally pledged protection of domestic business from the flood of imported goods through measures to stem the flow. Japan, which is highly dependent on the sale of products to the United States, therefore cannot help but take the keenest interest in developments of this sort.

It is a well-known fact that since spring this year there has been growing among the textiles men of the United States a movement for the boycotting of Japanese goods. Following upon this adverse wave of sentiment there arose the complaints about tuna shipments and the sale of Japanese chinaware, with demands for higher tariffs and the establishment of import quotas.

In the case of cotton textiles, it is manifest that the United States manufacturers find in difficult to compete with deliveries of big quantities over short periods time with concentration on such items as blouses and pillow cases. Consequently, the Japanese manufacturers and exporters, harking to United States grievances, are undertaking self-imposed regulation of export shipments.

What we should like to impress upon the American people and their government is the fact that the shipments of cotton goods from Japan are but a small fraction of United States production of similar items. Moreover, because of the cheapness of Japanese cotton goods, the consumer, the American public, is given more value for what must be paid.

The second point on which we seek to be heard is the perennial complaint about Japan's low wages. It should be realized that within the United States itself there exist considerable regional disparities in pay which give rise to industrial friction. One such example is the competition faced by the East Coast manufacturers because of the low wage level of the newly ascendant textile manufacturers of the South. The logical thing would of course be for the Eastern operators to reduce costs by increasing efficiency; and when they are unable to do so to give up gracefully to their Southern competitors with a shift to some other form of business.

The same logic should apply to international competition. Japan's cotton mills, in so far as the poorer grades of textiles go, are relinquishing leadership in favor of the less advanced industrial nations such as Communist China and India. Seen in the cold light of reality, this ceding of position is inevitable; and Japanese mill operators have turned to high quality goods, which tends to threaten Britain's preeminence in this field, seeking at the same time to establish a firm foothold in the chemical fibers market.

Consequently, the British textiles manufacturers have steadily given ground to the Japanese while going on to goods of even higher quality and the development of new fields in regard to woolen goods and chemical fibers.

This evolutionary course is not restricted to textiles. At least one-half of the world trade today involves goods that were unheard of at the start of the present century. The progress of science and technology has brought us to the threshold of a third industrial revolution, but the rise and fall of trade commodities is something quite beyond ordinary imagination. The United States, with its special techniques for mass production, has to date been the precursor of this stupendous revolution in the pattern of world trade, and there should exist a full realization of the principles involved.

Thirdly, the United States today is enjoying, together with full employment, the highest standard of living ever achieved. The current prosperity is something that exceeds anything on historical record. In comparison, the Japanese are struggling along at a standard of living so low as to preclude relative measurement, burdened down with unemployment running into millions of workers, and with a vast population crowded into four small islands. We understand that influx of cheap Japanese goods will result in some hardship to United States manufacturers of competitive items; but this hardship bears no comparison with the distress that could befall Japan were import restrictions to be enforced by the United States.

It goes without saying that, however one may argue, the nations of the world are, in one way or another, adopting measures for protection of domestic industry. Japan is no exception to this general rule; so we certainly would have no justification for making a one-sided criticism of United States trade policy. Our plea to the people of the United States and their government nevertheless is that consideration be given to the matters mentioned above, in the light of the outstanding role the United States now plays in the world economy and in international relations.

National Health

COMMENTING on the economy of Japan during fiscal 1955–56 (ended March 31, 1956), the Economic Planning Board declared: "The postwar period is over."

Supported by booming exports and domestic demands, an unprecedented wave of prosperity has come to the Japanese. Real national income in fiscal 1955–56 stood at 50 percent higher than prewar (1934–36), and at 13 percent more per capita.

However, are we quite justified in unqualified rejoicing over the ending of the postwar era? The Labor Ministry warns in its Unemployment White Paper that despite the business upturn there has occurred a worsening of the pattern of employment. The recently published Welfare White Paper (Ministry of Welfare) points out the shortcomings of health facilities, and states that Japanese living is not necessarily headed toward betterment and stability.

1. MOVEMENTS IN BIRTH & DEATH RATES

	Population (In 100,000)	Birth Rate (‰)	Death Rate (‰)
1947	781	34.3	14.6
1949	818	33.0	11.6
1951	845	25.0	9.9
1953	870	21.5	8.9
1955	892	19.3	7.8

Source: Ministry of Welfare.

Critics, of course, will say that these official reports are biassed, it being the purpose of the bureaucrats to agitate for bigger appropriations now that the budget season is at hand. Be that as it may, we shall, in this article, outline briefly just what the Welfare White Paper pinpoints as shortcomings.

In any discussion involving national living, the first thing that comes to mind, in the case of Japan, is the problem of overpopulation. In recent years, there has been an astonishing decline of the birthrate, a sharp reversal of the prewar trend, and of the baby boom of the immediate postwar period.

In fiscal 1955–56, the birthrate stood at 19.3 per thousand of population, a level approximately two-thirds that of prewar. This, needless to say, is the outcome of efforts to control childbirths. Nevertheless, because of advances in medicine and in health facilities the decline of the deathrate has been even greater. This trend has been most remarkable in the case of tubercular patients: deaths in 1955 being some 47,000, only one-fourth of the prewar average. Consequently, the national deathrate declined to about one-half prewar (7.8 per thousand in 1955).

Such being the situation, the old adage about life being a mere span of fifty years no longer holds true; and the average life expectancy in Japan in 1955 was 68 years for women and 64 years for men.

The population pattern of Japan therefore has changed to one of low birth and death rates. But the decline of the latter has been sharper than the former to result, in 1955, in a net population increase of about one million.

If we were in the same position as the advanced nations of Western Europe and short of manpower there would be no great problem. It so happens that we have a huge surplus of labor in the vast army of submerged unemployed workers, estimated at some 6 million. The addition each year of a million more mouths to feed, therefore, becomes an enormous burden. To make the situation even worse, the youngsters who arrived in the postwar baby boom will soon join the ranks of our able-bodied workers; and because they number far more than the natural population gains of recent years the increase in the nation's available workforce in 1960 will be by at least 1.6 million.

When the question of job-availability for these people is pondered, the outlook is far from bright. There is little doubt that many of them will be forced out into jobs with the small businesses, where both productivity and earnings are low. Even without this pressure of surplus manpower, the wage differential between big and small business tends to be excessive. Absorption of a major portion of the new workers by small enterprises will tend to further enlarge the low income group. This problem cannot be lightly overlooked.

In any event, each individual is entitled to a livelihood; and there exists the Livelihood Protection Law for the purpose of providing subsistence to those, among the low income groups, bordering upon starvation.

2. STATUS QUO OF LIVELIHOOD PROTECTION

	Protected Persons (In 10,000)	Appropriations (In ¥ billion)
1947	281	3.6
1948	260	5.7
1949	172	10.0
1950	205	14.0
1951	202	22.1
1952	207	28.8
1953	193	28.6
1954	189	38.8
1955	192	43.6

Source: Ministry of Welfare.

The subsistence level guaranteed by this law, however, is at about 40 percent of the standard maintained by the average worker household. (The legal protection level is, for a household of 5 members, just under ¥10,000.) It is questionable whether even the minimum requirements can be met with so little. Needless to say, whenever a protected household has any income this amount is deducted from the subsistence grant.

In recent years, the households coming under legal protection have not increased in number, the trend being towards slight decrease. Nevertheless,

government outlays for marginal families have steadily increased, with ¥43,600 million spent in fiscal 1955–56 as against ¥3,600 million in fiscal 1947–48 when 2,810,000 persons received aid. This increase is due mainly to bigger grants for medical assistance.

In so far as the individual, regardless of wealth of station, is categorically entitled to live, it must be seen to that even those receiving government aid for subsistence are afforded adequate medical care. The Welfare White Paper notes that some 9,720,000 persons are now estimated to be barely managing to support themselves at a level comparable to that of the protected families.

The fact that there are about 700,000 mother-children households, including those headed by war widows, cannot be overlooked. Of these some 40 percent are receiving livelihood protection, so their precarious hold on life can readily be imagined. In addition, there are some 800,000 persons classified as old-age household members; while when disabled veterans and destitute repatriates are considered, the postwar period is far from ended. The Welfare White Paper deplores the lack of aid to these needy persons.

3. NO. OF HOSPITAL BEDS & MEDICAL PRACTITIONERS BY COUNTRIES

	Medical Practitioners (In every 100,000 persons)	Hospital Beds (In every 10,000 persons)
The United States	183.1	99.0
Japan	133.8	57.4
Great Britain	115.2	108.5
France	116.8	111.3

Note: Medical Practitioners include dentists. The figures are 1953 for America and Japan; 1952 for Great Britain; 1951 for France.
Source: Ministry of Welfare.

What then are the health facilities available to the Japanese people? Let us first take up the medical facilities.

The number of hospitals in existence, at yearend 1955, stood at some 5,100. This is a notable improvement over the 3,400 of 1950. Together with this increase in hospitals, the number of hospital beds also increased by some 90 percent, to a total of some 510,000 at yearend 1955. There were, in addition, some 50,000 medical clinics, and some 24,000 dental clinics, both indicating some gains.

Doctors, at yearend 1954, numbered approximately 92,000 increasing by some 20,000 in five years, while the number of dentists stood at about 30,000; so when these licensed practitioners are combined their number versus population compares not unfavorably with the nations of Western Europe. Consequently, it can be said that a marked improvement has taken place in the past few years.

However, when the situation is further studied it is found that although the ratio of doctors to population has been improved there still remains, by European standards, a deplorable shortage of hospital beds. Moreover, the hospital beds to population ratio varies enormously from region to region with the spread between Okayama Prefecture with the highest number per population and Oita with the lowest at as great as 2 to 1.

Furthermore, there remain as yet 197 doctorless villages, and 1,200 villages without dentists. Such being the situation, whereas in Tokyo there is a doctor for every 560 of the population, the ratio in Miyazaki or Akita Prefecture is 1 to 1,400 or thereabouts.

The reason for the lengthening of the life expectancy of the Japanese is due, in addition to improvements in medical facilities, to the expansion in scope of the various illness and injury insurance systems.

Roughly speaking these insurance systems can be divided into two categories: health insurance for specific groups or classifications of workers, and the national health insurance system for the general public.

The details of the first category are fairly complicated, there being the Workers' Health Insurance (both government and labor union administered), the Maritime Worker's Compensation System, the Day Laborers' Health Insurance, the Government and Public Workers' Mutual Aid Association, and various others.

However, when all these systems are considered as a whole, the total coverage at the end of fiscal 1955–56 stood at 68.1 percent of the population, there being an increase of 4.7 percent during the preceding year.

Whereas in 1948 there were only 13,000 patients and outpatients of hospitals and clinics per million population, this number rose notably to 30,000 in 1954. This is attributable mainly to the gaining popularity of the health insurance systems.

There are, nevertheless, various problems remaining to be worked out. For instance, in the case of the government-administered health insurance the outlay per beneficiary comes to about ¥5,600 per annum; but with the National Health Insurance system the spending is at the rate of only ¥1,200 per beneficiary.

Furthermore, there still remain some 28 million people to whom none of the benefits of health insurance are extended in any form whatsoever. Consequently, the health insurance system, as one link in the chain of social security measures, is as yet far from adequate.

4. POPULARIZATION OF HEALTH INSURANCE

	Insured Persons (In 10,000)	Popularization Rate (%)
1954	5,843	65.8
1955	6,109	68.1

Source: Ministry of Welfare.

The Welfare White Paper lays emphasis on the fact that for maintaining the nation's health at a satisfactory level the expansion of medical facilities and the health insurance system, although necessary and helpful, is by no means all that must be done. More positive effort is urged for improvement of water and sewage facilities, for suppression of smoke and soot, for control of flies, mosquitoes and other pests, and for betterment of nutrition.

Without going into further detail, it should be clear from the outline given above that the living conditions of the Japanese are as yet far from satisfactory.

Steel, Power & Transportation

JAPAN'S industrial production has grown beyond all expectations, and because of this the shortages in steel, electric power, and transportation capacities have become increasingly manifest. Unless something is done to eliminate these bottlenecks, not only will the growth of the economy as a whole be impeded, but there is the danger that some disruption may occur in certain segments of business and industry.

Since autumn 1954 there has been considerable improvement of the export situation, while from about autumn last year there has been a turn for the better in the domestic market as a result of heightened business activity. Industrial (mining and manufacturing) production in fiscal 1955–56 (April 1955 through March 1956) rose by as much as 12.5 percent over the level of the preceding year. This gain was 70 percent in excess of the originally expected rise of 7.4 percent. But this boost in production notwithstanding, there was no appreciable rise in prices, so the situation was typical of a quiet, quantitative boom.

However, from about the spring of this year there began to be discernible a definite uptrend in prices; and the Bank of Japan in particular went so far as to issue a warning of the possible onset of a price inflation. Then, from July, the Bank resumed its indirect regulation of city bank credit extensions, while beginning August 20 it went ahead with a tightening of its higher rates application system (on rediscounting of bills discounted by the city banks).

The price situation in recent months, nevertheless, has been that of spotty rises, with steel manifesting the most notable gains; and it is as yet too early to say that a general uptrend is being encountered. What then, under the circumstances, are the conditions indicated by steel, electric power, and transportation?

Iron and Steel

It is opined that the worldwide tendency towards shortages of steel will not change for some time. The situation in Japan is no exception, with the tightened supply of steel products the outcome of the failure of production to keep abreast of the overall expansion of the economy. In more detail, the conditions are as follows:

1) Although production of iron and steel rose rapidly in 1955 there was a sharp diminution of surplus capacity, and while there was a let-up since early this year in the pace of production gains the increase in requirements is expected to be considerably greater than anticipated production boosts.

2) The sharp rise of steel prices, while reflecting the tightening of supply, appears to be excessively stimulated by market sentiment; and the quotations are considerably higher than the manufacturers' list prices.

3) To counteract this tendency effort is being directed toward immediate boosts in production and bigger imports of iron ore; but the key to a long-range solution of the problem would be expansion of production facilities.

4) According to long-range economic plans, it will be six or seven years hence before 10 million tons of steel products can be turned out each year. However, it is expected that there will be a slight increase in the supply of steel products after October 1956, while operation of remodeled blast furnaces from 1957 and the starting up of new large capacity furnaces in fiscal 1958–59 are anticipated. In other words, the plan is to restore the equilibrium between supply and demand in a fundamental manner by upping production of pig iron. But if the domestic demands for the secondary products of the steel mills, centering about shipbuilding, machinery manufacture, and building and construction, keep growing at the present rate, it is unthinkable that there will be any easing of the supply for two or three years to come.

It is a fact, nevertheless, as Table 1 shows, that there has been a considerable increase in steel production since early this year. The production of ordinary steel products in the first half of 1956 totaled 3,740,000 metric tons, 12.7 percent more than in the corresponding period of 1955. The total output for the year 1955 was 20.7 percent higher than that of 1954. The slowdown of the rate of increase since the beginning of 1956 is due to limitations imposed by raw materials and to the narrowing down of excess capacity. Nevertheless, the progress has been notable.

1. PRODUCTION AND INVENTORIES OF ORDINARY STEEL
(In 1,000 metric tons)

	Production	Producers' Inventories	Wholesalers' Inventories	Total Inventoried Stocks
Monthly Average, 1954	453	—	—	—
Monthly Average, 1955	547	—	—	—
1956 Jan.	574	317	111	428
Feb.	603	316	117	434
Mar.	648	305	111	416
Apr.	626	299	102	402
May	644	291	93	384
June	646	295	86	381

Source: Steel Products Club.

The shortage of supply and the rise in steel prices despite this notable gain in production are, in the last analysis, due to growth of requirements at a faster rate than production, with additional

complications caused by spurts in demand for certain specific items. There is, of course, the effect of speculative sentiment; but the basic cause of the shortage is none other than the phenomenal growth of demand. Consequently, both producer and wholesaler inventories are tending to dwindle.

When the deliveries of the designated distributors, who make up about 70 percent of all Japanese dealers in iron and steel, are analysed by destination the results are as indicated in Table 2.

With the exception of the drops in deliveries to makers of secondary products of steel and to the electric power industry there was a general increase in the first half of 1956 with shipbuilding and machinery production each taking 70 percent more than in the corresponding period of 1955. The rolling stock industry took 53 per cent more; chemicals, 50 percent more; coal, 47 percent more; and petroleum, 43 percent. Consequently, the domestic market as a whole consumed in the first half of 1956 some 31.6 percent more steel than in the same period of 1955; and despite a drop of some 150,000 tons in export volume, there was a 20.7 percent increase in deliveries. Because the production gain in the interim was 12.7 percent, the shortage must be considered to be in no way extraordinary.

2. DELIVERIES BY DESTINATION BY STEEL WHOLESALERS
(Actual, in 1,000 metric tons)

	Jan.–Jun. 1956	Jan.–Jun. 1955	Increase	(Decrease)
Land Transportation	29	29	0.3	
Rolling Stock	148	97	51	
Electric Power	17	31		(14)
Coal	28	19	9	
Petroleum	10	7	3	
Ships & Shipbuilding	488	290	198	
Machinery	220	130	90	
Chemicals	42	28	14	
Building & Construction	259	176	83	
Secondary Steel Products	434	460		(26)
Other	1,059	810	294	
Total Domestic	2,734	2,076	658	
Export	224	375		(151)

Source: MITI.

The outlook is that this trend will continue. According to predictions worked out by the Ministry of International Trade and Industry the total deliveries for fiscal 1956–57 are expected to be 8,480,000 tons, some 17 percent more than in 1955. By type of product the increases are expected, as shown in Table 3, to be big in such items as plate, large forms, medium forms, small bar, and tube.

3. EXPECTED DELIVERIES BY ITEM, FISCAL 1956-57
(In 1,000 metric tons)

	1955 Actual	1956 Anticipated	Anticipated Increase (%)
Plate	1,858	2,406	29.4%
Small Bar Stock	1,250	1,495	19.6
Sheet	1,301	1,377	5.8
Wire Stock	609	621	2.0
Steel Tube	499	594	19.0
Medium Forms	371	475	28.0
Heavy Rail	299	243	(–) 18.7
Large Forms	272	352	29.4
Total (including other)	7,251	8,481	16.9

Source: MITI.

The problem of long-term stabilization of the supply and demand, and price of steel became pressing last autumn when there occurred a sudden jump in the price of scrap with widespread repercussions. At this time, production was regulated to match the supply; but because of the subsequent growth of domestic requirements there occurred, despite the drop in export sales, sharp rises in prices of the items in heavy demand. This rise in prices, of course was due in part, as has been commented upon, to the fact that increases in production did not keep pace with the anticipated gains in demand, and to the notable disequilibrium of the supply and demand in the market.

From mid-1954 through 1955 there was an increase in Japan's steel products export volume. One of the reasons for this surge in overseas sales was the buying for stopgap purposes on the part of producing and exporting nations to make up for the lag in start up of expanded facilities. With the ending of this export boom, which lasted for about a year and a half, it was found that even with greatly boosted production the output would not be sufficient to meet domestic requirements despite the expected decline of export volume. Since the firing of new and renovated blast furnaces cannot be done on short notice, the situation now is that the gap must be tided over by import of pig and semi-finished products.

The expected production of steel products in fiscal 1956–57 is estimated to be 7.3 million tons, 6 percent more than the 6,898,000 tons turned out in 1955–56; but because it appears to be possible to boost production after October, the actual output may reach 7.5 or even 7.6 million tons.

The current outlook for some relaxation of the tight supply situation in the October-December quarter is based on the expectation that domestic deliveries in this period will increase in the neighborhood of 150,000 tons or 10 percent. The reasons for anticipating this increase in supply are the gains made in production of steel ingot, the decline in export shipments, and the arrival of imported steel products.

In connection with the projected boosting of production, it is expected that upping of pig output and the procurement of necessary scrap can be effected. With pig production, it is to be noted that Fuji's 1,000-ton blast furnace, Yawata's 700-ton furnace, and Kokan's 600-ton furnace are expected to resume production in the August-October quarter. At Nakayama Steel, the idle 500-ton furnace will be operated from the start of 1957. Consequently, the production of blast furnace pig in fiscal 1956–57 is expected to reach 5.8 million tons, 682,000 tons more than in fiscal 1955–56.

As for import purchases of pig, of the originally programmed 568,000 tons for fiscal 1956–57 there are already contracts signed for 254,500 tons, and because negotiations are under way for the re-

maining balance, it is expected that the full amount will be available.

With purchase from abroad of steel products, the import quota up to the end of August exceeded 200,000 tons; but this quota has been upped to 400,000 tons, while the period also has been extended to the end of the current fiscal year. However, since the cost of imported steel product is higher than the Japanese producers' list price, and because the volume is not very big, these purchases appear unlikely to help stabilize the recent excesses in market quotations.

The principal steel producers, in order to mitigate the difficulties encountered by the small users, are planning to increase deliveries to the steel product service agencies for pooling at list prices with the higher priced imported steel.

Electric Power

Electricity requirements have also increased at an unexpectedly high rate. Because of this situation, the Ministry of International Trade and Industry has decided to restrict the issuance of new permits to applicants in the Tohoku and Hokuriku areas (Northern Honshu) where the power shortage is most acute. Simultaneously, the Ministry is stressing overall power resources development to cope with the nationwide tightening of the electricity supply. It appears nevertheless unavoidable that a critical shortage will occur in fiscal 1957–58 (beginning April 1, 1957).

According to MITI statistics covering power and lighting requirements during the first quarter of fiscal 1956–57 (April–June), there was, as against the same period of 1955, an overall increase of 17 percent. Government quarters recently have been tending to estimate the growth of demands at the considerably high rate of 8 percent per annum. But the actual growth-rate in the first quarter of fiscal 1956–57 far surpassed this figure.

MITI statistics indicate that in that period the actual consumption of electricity for power and light combined stood at 7 percent in excess of plan, and it is seen that whereas the requirements for lighting were approximately as scheduled the power demands were 8 percent over the target level.

This is a reflection of heightened industrial activity; and the current shortage of power is due primarily to the increase in the requirements of big volume users.

Table 1 is a breakdown of the power requirements by power company, and it shows that conditions vary considerably between companies. Those faced with big gains in demand, with notable exceeding of the target level, are the Shikoku, Tohoku, Hokuriku, Hokkaido, and the Chubu power companies. Of these five, the Tohoku and Hokuriku companies will, because of inadequate capacity, run almost inevitably into shortage trouble.

1. ELECTRICITY REQUIREMENTS APRIL THRU JUNE 1956, ACTUAL VS. PLAN
(percentage)

Company	Lighting	Power	Total
Hokkaido	99%	113%	110%
Tohoku	100	113	112
Tokyo	98	107	105
Chubu	101	110	109
Hokuriku	103	110	110
Kansai	101	107	106
Chugoku	100	106	105
Shikoku	103	114	113
Kyushu	99	99	99
Overall	100%	108%	107%

Source: *The Oriental Economist.*

Table 2 is a breakdown by industrial classification of the power requirements in May this year. Among the various industries, chemicals and metallurgy are the big volume users; and because, as against the same month in 1955, the former consumed 22 percent and the latter 30 percent more power, the overall increase in requirements went up 21 percent.

2. ELECTRICITY REQUIREMENTS BY INDUSTRY, MAY 1956
(In million KWH)

	May 1956	May 1955	Gain (%)
Mining	231	200	16
Manufacturing	2,250	1,803	25
Foodstuff	34	30	13
Textiles	165	140	18
Paper	207	177	17
Chemicals	981	801	22
Petroleum, Coal	12	11	9
Rubber	18	14	29
Glass	57	36	58
Metals	612	471	30
Machinery	33	25	32
Electrical Equipment	55	41	34
Transportation Equipment	67	50	34
Other	10	7	43
Transportation, &c.	267	245	9
Other	95	93	2
Total	2,844	2,341	21

Note: Supply by power companies only, requirements met by private generation excluded. Users contracting for not less than 500 KVA.

Source: *The Oriental Economist.*

The view is expressed in some quarters that the current power shortage is the outcome of too small a plan for electric power development. Table 3 is a comparison of the generation-consumption growth-rate with the peak demand growth-rate as compiled by the Federation of Power Enterprises.

3. ELECTRICITY VOLUME & PEAK DEMAND GROWTH-RATES

Fiscal Year	Power Supply Growth-Rate	Peak Demand Growth-Rate
1953–54	10.1%	15.1%
1954–55	3.8	5.1
1955–56	8.8	12.9
1st Qtr. 1956–57	14.8	—

Source: *The Oriental Economist.*

Fiscal 1954–55 and the early part of fiscal 1955–56 came under the disinflationary measures implemented by the government, so during this period the growth of electricity supply at 3.8 percent in fiscal 1954–55, and 8.8 per cent in fiscal 1955–56 was slower than in 1953–54 when a gain of 10.1 percent over the preceding year was achieved.

The present power companies, formed in 1951

by segmentation of the old Japan Power Generation and Transmission Company and combination with the regional distribution companies, had been undertaking intensive power sources development to overcome the acute shortages that then existed. In consequence there was achieved, by the end of fiscal 1953–54, a temporary equilibrium between supply and demand. Then, because of the deflationary recession that followed, which caused a slowing down of the growth in requirements, there occurred some surpluses in capacity. Therefore, although there was rapid growth in demands after about May 1955 it was possible until quite recently to meet the requirements; and it was only after due evaluation of the trend in recent months that the predictions of future shortages were definitely confirmed.

It is to be noted that present indications of power shortages are manifested only in specific areas, and it is not until some time in fiscal 1957–58 that a critical nationwide shortage can be foreseen.

On August 13 MITI made public a prediction that a power shortage would be impending after fiscal 1957–58. According to this Ministry there is expected to occur a national shortage of some 1,308 million kilowatt-hours in fiscal 1957–58, and even should makeshift generation and inter-company loaning of surplus power be undertaken there will still remain a deficit of some 627 million KWH. In so far as the supply at the generating terminals is estimated at 64,000 million KWH the overall shortage will amount to about 1 percent.

In addition to this expected shortage in overall supply, the outlook for peak-load shortages is fairly serious. According to the Federation of Power Enterprises, the actual results to date indicate a 17 percent increase in peak demands during fiscal 1956–57, with the 9,340,000 kilowatts of yearend 1955 rising to at least 11 million kilowatts at the end of this year. This means a gain of 1,600,000 kilowatts in the space of a year, and even with the completion of 1 million kilowatts of capacity in hydro and thermal plant by the end of fiscal 1956–57 there will still remain a deficit of some 600,000 kilowatts. Moreover, since in fiscal 1957–58 there is scheduled no sizable completion of either hydro or thermal facilities the shortage of power is bound to become critical. This shortage cannot be overcome easily because even with construction started immediately a large thermal plant takes at least two years to complete.

The plan therefore is: 1) in fiscal 1956–57 the greatest possible utilization of thermal facilities will be made, with the companies intensifying the loaning to one another of surplus power; 2) in fiscal 1957–58 new requirements for power will be held down to the minimum; and 3) the present power development program will be enlarged in scope.

In any event, the expected power shortage of fiscal 1957–58 is the biggest bottleneck imposed on the growth of Japan's productive activities.

Transportation

At present the proportion held by the Japanese National Railways in domestic haulage of freight is 54 percent (in ton-kilometers, fiscal 1955–56). The remaining 46 percent is shared by coastal shipping (30 percent), auxiliary vessels (5.5 percent), trucks (9.5 per cent), and private railroads (1 percent). The situation however is that the main carrier of freight, the national railways system, is at saturation point, with the boosting of capacity on short notice considered to be extremely difficult.

This year, freight handling by the JNR has been a series of strains. Normally, there is a summer slack with an easing off of volume in June and July, and an uptrend from September culminating in a peak in December. With the annual volume averaged out at the level of 100 per month, the index for June and July would normally be about 97 or 98, with December up to 108 or 109. But this year things have been altogether different, with no decrease in volume in the summer months.

JNR hauled 14,570,000 tons in May this year, a level 8 percent higher than in May 1955. The June haulage was 14,010,000 tons, likewise 8 percent higher than in June 1955, while the July volume came to 14,250,000 tons, 11 percent more than in July 1955. The volume handled in May this year was greater than the peak of 14,560,000 tons of December 1955.

Despite this record haulage of goods, with effort going into boosting of efficiency, there has been no reduction of backlogs. The trend, rather, is toward increase; and as of August 31 the freight held up at stations totaled 1,080,000 tons, a gain of 61 percent over the 670,000 tons of the same date in 1955.

As compared to prewar, the volume of freight handled by JNR has gone up enormously. The amount carried in fiscal 1955–56 stood at 164 percent of the fiscal 1936–37 level, while the distances hauled have also increased notably. Consequently, when freight haulage is expressed in terms of ton-kilometers, the level, as against 1936–37, comes to as much as 261 percent.

Despite this sharp increase in haulage, the increase in freight car capacity has not kept pace. As against the 73,000 freight cars available at the end of fiscal 1936–37, the nomber at the end of fiscal 1955–56 was 106,000, up only 45 percent. In order to make up for this difference the trains have been speeded up, while loading efficiency has been improved by seeking the cooperation of the forwarders. So in one way or another the deficit in car capacity has been covered to furnish prompt and dependable service.

But because haulage today is being undertaken

at full capacity, such occurrences as the recent surge in freight volume cannot be coped with unless some basic remedy is administered. To begin with, there will be a definite shortage of freight cars, as there will be of freight handling personnel. The facilities at the principal marshalling yards will become inadequate to cause delays in shunting cars and making up trains. Because a major portion of the trunk lines is single-tracked, there is a limit to traffic volume; and besides these major bottlenecks there exists a number of other obstacles to the haulage of bigger volumes of freight.

With things thus congested in the normally slack season, there is no telling what may result during the rush from autumn into year-end. The early season rice from the Tohoku area, the apple shipments from Aomori, the pike mackerel catches from the Sanriku area, potatoes from Hokkaido, cabbages from Iwate the "hakusai" greens from Miyagi and Yamagata, the tangerines from Shizuoka, Wakayama, Okayama, and Shikoku, and other seasonal crops and catches are all good this year, so the increase in shipment volume will be tremendous. Besides, because of the recent phenomenal advances achieved by industrial production, the scheduled output of coal has been upped 3 million tons to the 48 million ton level. Rail haulage of this extra amount must also be provided for. How then are these transportation problems to be solved?

The least that can be done is to expedite fulfillment of the JNR five-year plan for modernization and consolidation of facilities; while from the national standpoint systematic utilization of highway transport and coastal shipping will have to be undertaken for overall adjustment of freight haulage. In order to meet the pressing needs of the moment something definite will have to be done without delay. The situation must be mitigated by taking up the most immediate and more serious matters first. These, to name but a few, are the following:

For the Hokuriku Line, where the haulage capacity problem is the most acute, prompt completion of the Toyama marshalling yard, and the upping of haulage capacity by the use of 1,000-ton tractive power locomotives will be necessary.

For the transportation of rice from Niigata, Yamagata, Toyama and other prefectures, the shipments for Kyushu should be routed by sea. Marine transport should also be utilized for a portion of coal, pulpwood, and other raw materials shipments, and the capacity thus released should be used for other commodities.

As for freight car supply, the scheduled dates of new car completion should be brought forward, while the retirement dates of old cars should be postponed to increase the capacity in service.

Although various other technical measures are being discussed, it is felt that without basic remedial action it will be difficult to avert with any degree of efficacy the impending transportation crisis.

Foreign Exchange Budget

THE Government on September 25 decided upon the foreign currency budget for the second half of the current fiscal year (October, 1956 through March, 1957). As compared to past years, when decisions usually could not be arrived at until the very last moment, this year's proceedings have been surprisingly smooth.

One reason for this is the fact that as against two or three years ago the nation is in a much more comfortable position moneywise, and there is little need to be niggardly about the use of foreign currency holdings for import purchases and other purposes (estimated foreign exchange holdings at September 30 came, in terms of U.S. dollars, to $1,395 million).

Another factor making for smooth progress was the action of the Government, during the first half of the fiscal year, by frequent convening of Cabinet sessions, to iron out the differences in opinion regarding the balance of payments outlook and the problem of decontrol of import purchases.

The announced overall figure for the second half of 1956–57 totals $2,341 million, of which $1,915 million are allocated to import purchases, with the balance of $426 million earmarked for invisible trade payments.

In the first half of the fiscal year, the commodities import budget was originally set at $1,543 million, but because of additions made for purchase of steel products and certain other items the final figure rose to $1,765 million.

When the budgetted figure for the second half is added to this the total allocation for commodities purchases during fiscal 1956–57 comes to $3,680 million (¥1,324,800 million), up some $1,000 million over the amount made available in fiscal 1955–56.

The most outstanding feature of the commodities import budget for the second half of fiscal 1956–57, then, is this notable expansion of purchase volume; and this is the outcome of the Government's attitude favoring unstinting use of foreign exchange for purchase of industrial raw materials and daily necessities in amounts sufficient to check the rise of prices attendant upon the growth of demands

as a result of the overall expansion of the economy. It is to be noted, however, that because of the anticipation of another bumper harvest, the allocation for food purchases is smaller than last year's.

The budget for the first half of 1956–57 had to be revised upward several times. Consequently, for the current half-year an adequate reserve fund was set up from the start to permit a more flexible budget. This is the second feature of the foreign exchange budget for the current half-year. However, a part of the reserves will cover import of certain items (e.g. rice, and a portion of raw wool) which, because of considerations stemming from trade policies, could not be fully taken care of by itemized budget amounts.

Another feature of the budget for the current half-year is the considerable enlargement of the so-called global budget (with no designated currency of settlement, and with freedom to buy wherever the price is low). Excluding the reserve fund, this "global" budget has grown to 89 percent of the total as against the 58 percent of the first half of 1956–57.

The Government in the past has, from the standpoint of promoting export to the Sterling Area, and of conservation of valuable U.S. dollars, tended to encourage purchase of £ sterling commodities though these were somewhat more costly. The current budget has veered away somewhat from this course, and there appears to be more stress put upon efficient use of available foreign exchange. Needless to say, the diminution of £ sterling holdings has also been duly considered.

1. IMPORT BUDGET BY ITEM

(In $100,000)

	1st Half, 1956–57 (revised)	2nd Half, 1956–57	Total 1956–57	Total 1955–56 (revised)
Food*	2,429	2,412	4,841	5,837
Monopoly Commodities	123	102	225	245
Lumber	138	124	261	196
Daily Necessities	301	226	527	485
Textile Raw Materials	3,488	3,111	6,599	6,407
Fertilizer & Materials	242	410	652	485
Coal	440	573	1,013	642
Iron & Steel Materials, Products	2,650	1,598	4,248	1,828
Non-ferrous Metals, Non-Metallic Minerals	589	757	1,346	406
Petroleum	957	1,008	1,964	1,586
Chemical Products & Materials	53	95	148	72
Pharmaceuticals	26	27	53	60
Agricultural Chemicals	3	—	3	15
Machinery	1,450	1,460	2,910	1,662
Materials for Export Manufacture	350	390	740	600
Items for Reparations Arrangements	150	135	285	210
Materials for Security Forces Orders	50	50	100	104
Re-Import & Additional Payments Items	18	10	28	17
Sundry Import Items (1)	430	433	864	549
Sundry Import Items (2)	250	230	480	492
Automatic Approval Items	3,521	3,900	7,421	4,260
Reserve Fund	—	2,100	2,100	—
Total	17,657	19,150	36,807	26,158

Note: invisible trade payments budget for second half, fiscal 1956–57 is $426 million, which combined with the $346 million of the first half brings the total for the year to $772 million (as against $549 million in fiscal 1955–56).

* Food for second half of fiscal 1956–57 does not include rice.

Source: MITI.

The biggest issue that arose in connection with compilation of the current foreign exchange budget was the manner of dealing with the rice import budget. As will be explained elsewhere, there appears to be little or no need for purchasing rice from abroad because of good rice crops.

But if rice purchases are reduced drastically the selling nations become unable to buy in large amounts from Japan, and our exports to these areas tend to drop off sharply. Consequently, the rice purchase allocation was lumped with the reserves, the intention being to decide on overseas rice procurement after seeing how this year's crops actually turn out, and how the trade negotiations with the countries involved will develop.

Further, in stating the policy behind the compilation of the current foreign exchange budget, the Government has made it clear that: "In regard to import from nations exercising discrimination in commerce against Japan, the Government is prepared to take corresponding retaliatory measures." The limiting of second half import of raw wool to 400,000 bales is due to this stand; and depending on the outcome of negotiations with Australia it appears possible that another 100,000 bales will be purchased out of the reserves held available.

Heretofore, the main factors governing the compilation of the foreign exchange budget were the balance of payments and the actual supply-demand relationship of commodities. Consequently, the inclusion this time of thinking in relation to export trade is the fourth notable feature of the current foreign exchange budget.

With the steady growth in overall size, the role of the foreign exchange budget as a means of regulating or restricting import purchases has tended to diminish. With the growth of the "global" budget, the general tendency can be interpreted as continued advance toward liberalization of imports. Nevertheless, the expansion in scope of the automatic approval system appears to be at a standstill. True, the proportion held by automatic approval items of the total budget (excluding the reserve fund) comes to 22.9 percent, as against the 19.1 percent of the budget for the first half-year. But the items which were transfered to automatic approval from the current term were only a few commodities, the more important of which were: iron ore from Goa, manganese ore, cotton linter, lemons, pine resin and molybdenum.

The inclusion among the automatic approval items of lard, cotton waste, phosphate ore, and lauan logs has been deferred to the first half of fiscal 1957–58; while the application of the system to such more important items as raw cotton, raw wool, soybeans, and sugar appears to be indefinitely postponed. This lack of progress in the shift to the automatic approval system is due for one thing to considerations arising from trade policies (raw wool, sugar, &c.), while it is undeniable that protectionistic thought is a powerful deterrent (farm produce such as soybeans). Moreover, in the case of raw cotton and raw wool the control of impor-

tation is being utilized as a means of countering overproduction.

2. GOVERNMENT FORECAST OF THE BALANCE OF PAYMENTS
(In $ million)

	Fiscal 1955–56 Actual	Fiscal 1956–57 Plan	Fiscal 1956–57 Plan as revised August	Fiscal 1956–57 Plan as revised September	Forecast for 2nd Half of 1956–57
Income	2,839	2,892	3,050–3,140	3,250	1,616
Export Sales	2,095	2,200	2,300–2,350	2,460	1,230
Security Forces Procurement	570	500	540–560	550	264
Invisible Trade	174	192	210–230	240	122
Outgo	2,513	2,779	3,050–3,250	3,360	1,702
Import Purchases	2,165	2,400	2,600–2,750	2,840	1,440
Invisible Trade	348	379	450–500	520	262
Real Balance	326	113	0–110	110	86
Adjustment Items	127	91	116	141	86
Farm Surplus Commodities	75	66	66	66	66
Deferred Payments	52	25	50	75	20
Nominal Balance	453	204	116–6	31	0

Source: MITI.

Whether or not it is justifiable to make up for the dearth of adequate industrial policies by the imposition of exchange control measures presents another moot point.

Also, the "eye for an eye" thinking, that has found expression in the current foreign exchange budget, is of doubtful value in actual effectiveness. It is a well known fact that among the nations discriminating against Japanese goods are Australia, Cuba, and the Philippines, to cite but a few of the more representative ones. It also happens that Australian wool and Cuban sugar are the least costly throughout the world, and any attempt to restrict, through exchange control, the purchase of these commodities would go against the principle of efficient utilization of available foreign currency funds. Philippine abaca is something that cannot be purchased elsewhere no matter how hard we try. For the most part, Japan's import purchases cover essential supplies, while conversely our exports tend to center upon consumer items. Consequently, Japan's position as a trading nation is by no means strong, and any policy of retaliation would be extremely difficult to follow. The hinting of possible counteraction will in all probability serve no purpose other than to provide a bargaining point for trade negotiations.

On the surface, the Government's forecast of the balance of payments in fiscal 1956–57, prepared in connection with the foreign exchange budget, shows a surplus balance of $30 million, while in real figures, a deficit of some $110 million is anticipated. In view of the circumstances, however, this outlook tends towards over-pessimism. The reasons are given below.

1) According to Government predictions, export trade in the second half of fiscal 1956–57 will be at about the same level as in the first half. But from past experience, and from recent trends it will be safe to expect a fairly high level of exports by yearend, to result in a total export volume of more than $2,500 million for the current fiscal year. There is also the likelihood that Security Forces procurement and ICA purchases will be somewhat higher than the Government forecast; and it can be expected that foreign exchange receipts for the 1956–57 fiscal year will total more than $3,300 million.

2) Because there seems to be little haste on the part of importers to buy, and judging from the volume of import letters of credit opened, it now appears that the Government has overestimated the import purchase requirements. With the foreign exchange budget for the second half of fiscal 1956–57 in particular it is expected that sizable leftovers will result. Furthermore, the Government has made liberal allowances for invisible trade payments. So, all in all, the foreign exchange payments in fiscal 1956–57 are expected to come to just about $3,300 million.

Consequently, the balance of payments will come out even or a little on the surplus side (real income and outgo). When to this are added the adjustment accounts and deferred payments there will be a nominal surplus balance of at least $200 million.

3. PAYMENTS BY MAJOR ITEMS
(In $ 100,000)

	Second Half, 1955	1955 Total	First Half, 1956	Second Half, 1956	1956 Total
Rice	711	1,894	179		
(In 1,000 tons)	(557)	(1,335)	(134)	—	—
Wheat	774	1,588	771	830	1,601
(In 1,000 tons)	(1,147)	(2,333)	(1,074)	(1,043)	(2,117)
Barley	292	433	310	390	700
(In 1,000 tons)	(487)	(726)	(451)	(516)	(967)
Sugar	475	1,031	634	651	1,284
(In 1,000 tons)	(443)	(1,023)	(640)	(600)	(1,240)
Soy-bean & soy-bean lees	368	688	403	481	884
(In 1,000 tons)	(335)	(625)	(310)	(419)	(729)
Salt	57	115	77	63	140
(In 1,000 tons)	(1,234)	(2,197)	(1,310)	(1,360)	(2,670)
Tallow	123	257	165	143	309
(In 1,000 tons)	(55)	(115)	(75)	(65)	(140)
Leather	83	163	127	83	209
(In 1,000 tons)	(20)	(43)	(34)	(22)	(56)
Lumber	107	196	136	124	259
(In 1,000 koku)			(2,246)	(2,060)	(4,306)
Raw Cotton	2,122	4,061	2,362	1,981	4,343
(In 1,000 bales)	(1,178)	(2,238)	(1,284)	(1,290)	(2,574)
Raw Wool	1,120	1,695	924	880	1,804
(In 1,000 bales)	(509)	(739)	(420)	(400)	(820)
Chemical Textile Pulp	79	151	130	106	236
(In 1,000 tons)	(39)	(76)	(64)	(51)	(115)
Phosphate ores	68	123	74	105	180
(In 1,000 tons)	(782)	(1,381)	(836)	(1,150)	(1,986)
Potassic Salt	217	352	162	305	467
(In 1,000 tons)	(258)	(431)	(268)	(351)	(619)
Iron ores	401	758	121	54	175
(In 1,000 tons)	(2,958)	(6,500)	(900)	(450)	(1,350)
Scrap iron	653	966	1,020	500	1,520
(In 1,000 tons)	(899)	(1,426)	(1,298)	(576)	(1,874)
Pig-iron	71	71	398	134	532
(In 1,000 tons)	(103)	(103)	(478)	(150)	(629)
Non-ferrous, Metals & Non-Metallic Minerals	270	368	560	757	1,317
Crude Oil	675	1,152	816	824	1,640
(In million barrels)	(33)	(59)	(41)	(42)	(83)
Heavy Oil	151	253	81	120	201
(In 1,000 kilo-litres)	(1,023)	(1,748)	(494)	(750)	(1,244)
Machinery	1,296	1,661	1,450	1,460	2,910
Metal Products	30	60	1,074	949	2,023

Notes: Figures for 1955 are real achievements, while figures for 1956 are estimates.
Imports by A.A. system are not included.
Source: MITI.

Building & Construction Boom

THE recent pace set by building and construction in Japan is astonishing. A stroll through downtown Tokyo, for instance, reveals construction going on at practically every other block. This resurgence of building activity began in the second half of 1955, after a period of quiet caused by the Government's disinflation policy started at yearend 1953. Then from early 1956 there took place a notable upsurge in building starts so that the floor area involved in the first seven months of 1956 came to some 20 percent more than during the corresonding period of 1955.

In normal years there is a slump in building starts with the onset of the rainy season in July; but this year the reverse trend took place with the level at 40 percent higher than in July 1955.

The reason for this boom, needless to say, is the result of private business launching upon new building or expansion of offices and plant facilities on the strength of the headway made finance-wise during the general prosperity which has pervaded the Japanese economy for more than a year.

As will be seen from Table 2 the building starts undertaken by companies and other juridical bodies stand head and shoulder above all others in rate of growth if the National Government projects are excluded.

Although building by private individuals has also shown considerable increase it remains far behind corporate construction in terms of rate of growth. The slump in building by local governments reflects the financial difficulties faced by the provincial and other local administrations.

1. BUILDING STARTS STATISTICS

(In 1,000 *Tsubo**)

Month	1954	1955	1956
January	772	631	825
February	834	736	912
March	982	914	1,071
April	1,004	953	1,007
May	910	939	1,079
June	881	825	1,100
July	760	792	1,118
August	730	848	—
September	783	831	—
October	794	968	—
November	779	816	—
December	816	848	—

*1 *Tsubo* equals 36 square feet

Source: Ministry of Construction

That building is on the uptrend in connection with growing investment in plant becomes all the more clear when the purposes of the building starts are analyzed. Buildings for mining and manufacturing (factory, storage and office space) started in the first seven months of 1956 aggregated some 970,000 *Tsubo* in floor space, more than 70 percent in excess of the level of the corresponding period of 1955.

There was a 25 percent gain in building starts for general commercial structures including department stores, shops, office buildings, &c. The increase in construction of shops in general corresponds to the recovery of consumer demands; but the expansion of floor space by the department stores has been greatly influenced by the expected enactment of the Department Store Law.

Dwelling unit building starts have also been booming, with a total floor area of 2.7 million *Tsubo* involved during the first seven months of 1956, some 30 percent more than in the same period of 1955. This figure covers only dwelling units proper, and when combined shop and dwelling, and farmhouses are included the gain is reduced to somewhat less than 20 percent.

Another noticeable fact about dwelling unit construction in recent months is the increase in new construction for lease. According to the Ministry of Construction, the starts for dwelling units during the first half of 1956 totaled 157,000 units (new construction), about 30 percent more than in the first half of 1955. Of these only 86,000 units were being put up for occupancy by the owner (15 percent more than in the first half of 1955). In contrast, whereas in the first half of 1955 only 26,000 units were started for purpose of lease, the rental units started this year came to 48,000, with a notable gain of 64 percent. This phenomenon is believed to be due for one thing to general stabilization of the economy, which with the decline of money rates is tending to make the business of renting dwellings or operating apartment houses more lucrative. It must be noted however that among the units started for lease the housing projects of the Japan Dwelling Corporation and the public housing organizations are included.

As a result of the building activity described above, the building and construction business, hard pressed to find jobs until about mid-1955, is now thoroughly reinvigorated. Among the bigger operators are some with backlogs of orders at a level some 50 percent higher than last year, while some are faced with a shortage of qualified engineers. However, with progress in mechanization of construction jobs, and with factory production of increasingly larger amounts of finishing materials and supplies the building and construction labor force has not expanded at the same rate as volume of business.

In the lean months of 1955 even the bigger contractors went after small jobs costing a few million, yen, much to the dismay of the smaller outfits. Recently however the small, and therefore less lucrative, projects tend to be shied away from by the bigger builders. Nevertheless there appears

to be quite a difference between the big and the small when it comes to the winning of contracts, and in some quarters the tendency of work to be monopolized by the big contractors has come to be deplored.

2. BREAKDOWN OF BUILDING STARTS

(In 1,000 *Tsubo*)

	Jan.-July 1956	Vs. Same months '55	July 1956	Vs. July 1955
Grand Total	7,112	122.8%	1,118	141.2%
By Builder				
State	194	147.0	28	133.3
Prefecture	160	102.6	13	108.3
Cities, Towns	801	101.8	81	117.4
Corporations	1,829	152.7	304	160.0
Private Individuals	4,138	117.7	704	138.6
By Structure				
Wooden	5,532	115.4	869	133.3
Reinforced Concrete	1,105	153.0	164	159.2
Ferro-Concrete	347	172.6	63	125.2
Other	126	188.1	21	191.0
By Use				
Dwellings	2,705	131.9	460	163.7
Dwelling-Commercial	1,271	118.3	186	114.3
Farm-Fishery	338	101.2	43	110.3
Mining-Manufacturing	967	167.9	153	157.8
Commercial	417	125.2	64	133.3
Utilities	141	110.2	19	86.0
Public-Educational	823	97.3	108	128.6
Service Trades	438	106.1	84	140.0
Other	12	66.7	1	100.0

Source: Ministry of Construction

This concentration of work among the bigger outfits, however, appears to be inevitable because of the following reasons:

1) The current building boom is centered upon private investment in plant, and public construction

2) In the case of the smaller contractors (with capital of less than ¥100 million) about one-half of the annual construction work undertaken is, on the average, in connection with public projects, whereas with the larger contractors (with capital of more than ¥100 million) only about a quarter of their work comprises public jobs

3) With the recent trend toward more large, fireproof buildings it often happens that the smaller contractors are unable to meet the specifications set by the ordering party.

3. BUILDING SUPPLIES PRICE MOVEMENTS

(September 1945=100)

	August 1956	Vs. Aug. '55	Vs. Jan. '56
Sand & Gravel	5,250	109.6%	109.2%
Cement	1,500	76.9	77.9
Brick & Tile	1,170	102.6	102.6
Building Stone	2,938	106.1	106.1
Roof Tile	2,889	100.0	100.0
Structural Steel	3,911	158.7	145.6
Galvanized Sheet	1,551	130.1	114.2
Copper Sheet	2,889	110.6	113.3
Sheet Glass	583	101.9	100.0
Lumber	4,633	101.9	102.0
Overall Average	3,515	103.8	103.3
Construction Funds	2,523	116.6	115.8

Source: Research Dept. Shimizu Construction Co.

Building prices, which had tended toward softness since 1954 up to the first half of 1955, generally firmed up after the second half of 1955. According to a survey undertaken by the Shimizu Construction Company the building price index in August this year was 4 percent higher than in August 1955. The biggest rise in price was seen in structural steel, both bar and forms, with a gain of nearly 60 percent over the August 1955 level.

With the usual private dwelling of wooden construction, the rise in the price of steel does not affect the overall cost to any great extent. But

4. BUILDING COST TREND

(June 1950=100)

	August 1956	Vs. Aug. '55	Vs. Jan. '56
Girder Steel, Reinforced Concrete Office Building	235.5	129.4%	123.9%
Reinforced Concrete Office Building	211.5	120.2	117.2
Wooden Office Building	211.0	106.3	107.4
Low-Cost Dwelling	209.0	103.7	105.8

Note: Building cost index figures; specifications curtailed.

Source: Construction Industry Management Research Association

in the case of ferro-concrete or reinforced concrete structures the increase in cost is considerable. According to the Construction Industry Management Research Association the cost index for a steel girder, reinforced concrete office building jumped by 24 percent during the first eight months of 1956.

The proportion held by steel in the overall cost of building has increased as a matter of course. In the case of the abovementioned office building, the cost of steel comes to 42 percent of the total (as of June 1956), as against the 32 percent in January 1956.

The rise in price is not limited to steel alone. Apart from cement, which has been in a slump since the start of the year due to intensive sales competition, nearly all materials have been indicating firmness; while the cost of labor, which had been fairly stable since last year, began to go up after July.

Currently, there is no sign that steel, other materials, and labor will become cheaper. Sheet glass, which had leveled off, is again on the rise because the wholesalers upped prices, and as a result of the move toward concerted action on the part of the cement manufacturers there appears little likelihood that the price of cement will drop appreciably. Consequently, the outlook for the cost of building indicates anything but softness.

When the price of building supplies is on the uptrend, contractors must prepare estimates with anticipated rises in mind. On the other hand, the customer tries to get the job done at the lowest possible price. Consequently it becomes difficult to arrive quickly at an agreement for the signing of contracts. This is particularly so in the case of public buildings with the government or public agencies restricted by budgets. Because officials tend to insist on the originally planned prices the bidding contractors often find themselves priced out of a job.

This general tendency is beginning to slow down the promising growth of the current building boom to the extent that some of the bigger contractors predict that there will be a leveling off of building starts before long.

However, on the customer side there is the sentiment that since costs appear to be going up the sooner construction is undertaken the better. Furthermore, it is customary for building activity to lag by about half a year the general tide of prosperity. Consequently, although it will depend to some extent on the credit situation, the likelihood is that for at least six months more there will be little or no recession of the building activity level.

Kaleidoscope

National Income:—The total individual income for the January-June period this year amounted to ¥3,995,500,000,000, up 10.5% over the equivalent in the corresponding period in 1955. Of the total, the increase of earned income was most remarkable by reaching 14% as compared with the 5.5% gain of income for individual proprietors. The rising tempo of earned income has been particularly notable in recent months, amounting to 10.4% for the January-March period and 17.3% in the April-June period (as compared with the 1955 equivalents) against the 4.0% hike in the same periods last year over 1954.

INDIVIDUAL INCOMES

(Billion yen)

	January-June, 1955	January-June, 1956
Earned Income	1,342.7	1,530.9
Ind. Proprietor Income	1,054.4	1,116.5
Income from Assets	172.2	205.9
Transferred Income	171.6	172.3
Individual Disposable Income	2,519.7	2,810.8
Individual Income	2,716.8	2,995.5

Source: Economic Planning Board.

125,000 Communists:—Justice Minister Ryozo Makino revealed at his lecture at the Industry Club, Marunouchi, Tokyo on September 27 that some 125,000 members are listed by the Japan Communist Party including 6,500 leading members attached to the headquarters, 5,000 among government and public workers, 11,000 in key industries, 25,000 among private organizations and 60,000 others. Mr. Makino further disclosed that, in the government and public organizations, the Ministry of Postal Services tops the list by counting 500 communists among its employees, followed by the Ministry of Agriculture & Forestry, the Ministry of International Trade & Industry and the Ministry of Education. Communists are also in the employ of courts, procurators offices and police stations, he said. The Ministry of Education has 160 communists on its payroll but this number is still less than 1% of the total number of its personnel.

Cement Market:—Domestic quotations of cement have begun to recover after a round of dumping competitions rampant from mid-July. Due to the brisk consumption in recent months, the cement shipments registered a new high at 1,250,000 tons in September and the operation rate at cement mills rose to 92.3%. Active demands are due principally to seasonal stimulants such as the progress of civil engineering works under the fiscal 1956 budget and the new pickup of housing-starts in the autumn season.

Steel Ingot Production:—The Ministry of International Trade & Industry has fixed the steel ingot production goals for the third quarter (October-December) for member firms of the three steel scrap cartels at 2,837,130 tons. Inclusive of the outputs by steel mills not enlisted with the three cartels, the total ingot production is expected to reach 2,993,000 tons, some 5% larger than the production in the second quarter at 2,865,000 tons (2,689,700 tons by member firms). Of the total fixed by MITI, the production by 18 blast furnace or open-hearth furnace steel manufacturers (listed with the Steel Scrap Coordinating Committee-Cartel A) is set at 2,600,400 tons (against the estimated second-half production of 2,472,000 tons. The goals for special steel manufacturers (belonging to Cartel B) and electric furnace steel manufacturers (Cartel C) have been respectively set at 170,000 tons (156,683 tons) and 66,930 tons (61,000 tons).

Contracts for Export Ships:—Contracts concluded for export ships during the April-September period this year reached 58 ships aggregating 1,767,000 weight tons (1,118,000 gross tons). Thus, the annual export goal of 1,200,000 gross tons set for the current fiscal year has been nearly achieved in six months. The April-September contracts, as licensed formally by the Ministry of Transportation, were as follows:

EXPORT SHIP CONTRACTS

	No. of Ships	1,000 g. tons	1,000 w. tons	$1,000
April	2	39	60	10,122
May	7	158	254	41,690
June	22	438	701	120,152
July	6	89	142	27,212
August	16	291	464	89,486
September	5	93	146	27,916
Total	58	1,281	1,767	316,587

Source: Ministry of Transportation.

The 58 ships contracted include 41 tankers aggregating 1,469,000 weight tons worth $251,586,000, 16 cargo boats of 253,000 weight tons worth $57,490,000 and another vessel of 45,000 tons valued at $7,502,000. Tankers thus predominate among the orders received by Japanese shipbuilders from foreign customers.

Power Generation:—The volume of electric power generated by the nine regional power companies (including electric energy supplied from other sources than electric firms) during the first half of fiscal 1956 (April to September) totalled 31,227,000,000 KWH, some 7.5% more than the original goal, according to the Federation of Electric Companies. Of the total, water power generation reached 24,626,000,000 KWH, up 13.4% over the original schedule, due to smooth water supplies during the period. As a result, the economization of fuels amounted to 958,000 tons in coal (the saving of 29%) and 44,000 kilolitres in heavy oil (31%) from the original schedules. Due to the dual advantage of generation increase and fuel expense economization, the combined profits of the nine power companies are estimated to have increased by about ¥12,000,000,000–13,000,000,000 over the original plan.

Over Equipment:—The Raw Silk Association has decided to dispose of superfluous equipments for further rationalization of the silk industry. Destined to be scrapped under the association's program are 50% of 4,583 reeling machines not formally licensed by the Government. A further 20–30% cut of licensed reeling machines totalling 61,703 plus the remaining half of the unlicensed machines is also under consideration through scrapping or sealing. The proposed reduction is due to take effect with the delivery season of the 1957 spring cocoons.

Rice Crop:—The latest forecast of the Ministry of Agriculture and Forestry estimates the 1956 rice crop at 70,980,060 koku (1 koku = 4.96 bushels), including 69,276,400 koku of paddy rice and 1,703,660 koku of upland rice. This is some 3,656,270 koku larger than the ordinary crop of 67,323,790 koku, and promises a comparatively fair bumper crop to follow up the unprecedented bumper crop of 79,030,000 koku for 1955.

Industry

Ammonium Sulphate

THE ammonium sulphate industry is expanding its capacity by leaps and bounds. In line with the increase of production, overseas sales are getting brisker. But optimism is unwarranted because an international rivalry is assuming cut-throat proportions on the world market. For some time to come, prosperity will prevail in all likelihood, but prospects may turn for the worse next year.

Possible Over-capacity Warned

Ammonium sulphate corporations have all been enjoying continuously brisk business for the past three years. In the meantime, prices have been cut off two or three times. But the impact of such price reduction has successfully set off through production boost and equipment rationalization. Domestic demand has been picking up beyond expectation due to the bumper rice crops. Exports, too, have been curving up smoothly thanks to Japan's geographical advantage in relation to the firming-up of freight rates and the tighter supply-demand relationship on the world market.

A few years ago, ammonium sulphate, together with sugar and cement, experienced what was popularly called a "three-white boom". Though conditions soon worsened for the other two, business has that far been improving successively for ammonium sulphate. About its future outlook, however, many people have come to paint a gloomy picture.

For the 1956 fertilizer year (starting with August, 1956), the selling price has formally been reduced to ¥776 per bale, or a drop of ¥22.47 from the preceding fertilizer year. This is tantamount to a drastic slash of about ¥600 per mt. According to the official survey (designed for fixing of this price) by Ministry of International Trade & Industry and Ministry of Agriculture & Forestry authorities, the weighted average price (cost) stood at ¥801 per bale for all the local ammonium sulphate plants and at ¥787 for 10 plants above the bulk line (i.e. 10 highly efficient low-cost plants). The official price has thus been set at ¥776, or ¥11 below the latter average, in view of the possible credit from urea available from waste gas. At this price, it is estimated, only five low-cost plants can make both ends meet. The price, after all, has been fixed too low for most local makers.

Still worse, the selling price is to be cut off twice by the end of the 1958 fertilizer year, or until the two fertilizer laws in force will expire. To forestall the evil effects of such price lowering, makers will have to redouble their efforts for rationalization. Bigger interests probably will succeed in this attempt, but some smaller fellows will find themselves in very difficult conditions.

In order to establish itself as an export industry, nothing appears to be more essential for the ammonium sulphate industry to knock off every nickel out of its production cost. On the Southeast Asian markets, European and American makers are actively underselling their products, thereby intensifying more than ever an international competition in fertilizer trade. Thus, export outlook is not too bright. At home, local makers are stepping up both expansion and rationalization for the very purpose of cost cutting, and their capacity is rising rapidly. And every fear exists that time will come before long when the industry will suffer from over-capacity.

1,000,000-mt. Exports Scheduled

As shown in Table 1, production in the 1955 fertilizer year (ended with July, 1956) amounted to 2,871,000 mt., or up 223,000 mt. from a year ago. Supply-demand conditions were highly encouraging as a whole owing to the boost of local demand stimulated by the bumper crops and the increase of overseas sales.

Of the total 1955 output, ammonium sulphate accounted for 2,217,000 mt., and other nitrogen fertilizers (urea, ammonium nitrate, ammonium chloride, etc.) comprised not more than 653,000 mt. (in terms of ammonium sulphate). Of the latter figure, as much as 462,000 mt. was for urea, indicating the rapid growth of this newly-rising division. Of the total ammonium sulphate delivery, 1,707,000 mt. was for domestic consumption and 439,000 mt. for exports. In the case of urea, domestic use stood at 316,000 mt. and overseas shipments at 149,000 mt., or a wide-margin gain over a year ago.

In the 1955 fertilizer year, trade conditions turned for the better as local makers could avail themselves of their geographical advantage due to the ever-tightening freight market. Export prices averaged at less than $61 per mt. for ammonium sulphate and about $124 for urea, or slightly higher than the domestic quotations in both cases. Thus, the Japan Ammonium Sulphate Exporting Co. could reap some profit for the first time since its establishment.

In the current fertilizer year, production will further curve up as plans for expansion and rationalization are being accelerated. Official estimates for supply and demand are quoted in Table 1. Output is scheduled at 2,423,000 mt. for ammonium sulphate and at 719,000 mt. for others (of

which, 584,000 mt. for urea). All told, the total turnout of all the nitrogen fertilizers will register a marked boost of over 400,000 mt.

Exports, on the other hand, are set at 962,000 mt.: i.e. 653,000 mt. for ammonium sulphate and 309,000 mt. for other nitrogen fertilizers. Under this plan, more than 200,000 mt. of urea will have to be sold abroad. In this way, indications are that 1956 exports will reach for the first time the 1,000,000-mt. mark.

1. SUPPLY & DEMAND OF NITROGEN FERTILIZERS

(In 1,000 mt.)

	1956* (Scheduled)	1955* (Results)
Supply		
Transferred from prev. yr.	120	178
Production	3,277	2,871
Total	3,397	3,049
Demand		
Domestic consumption	2,140	2,192
Reserve for adjustment	160	—
Subtotal	2,300	2,192
Exports	962	603
Total	3,262	2,795
To Be Transferred to next yr.	135	254

Note: *=Fertilizer year beginning with August.

Source: The Fertilizer Council.

Bitter International Rivalry

International campaigns for selling ammonium sulphate and other fertilizers have been getting intenser on the Southeast Asian markets. In July, 1956, for instance, India sponsored a big tender for the coming year. European and American interests offered such cheap bids that Japanese makers could hardly compete with them. As for ammonium sulphate, Canadian, American, West German and East German interests succeeded in getting purchase contracts. As for urea, successful bidders were Italian and Dutch makers. It is particularly noteworthy that American and Canadian interests offered such a low price as $38.5 FOB for ammonium sulphate. Later, Americans, concluded a sales contract with the Philippines again at a very cheap price. In the United States, the selling price has recently slashed drastically for by-product ammonium sulphate. It is reported that, with inventories amounting to a huge amount, the United States is ready to make inroads into the Far Eastern market.

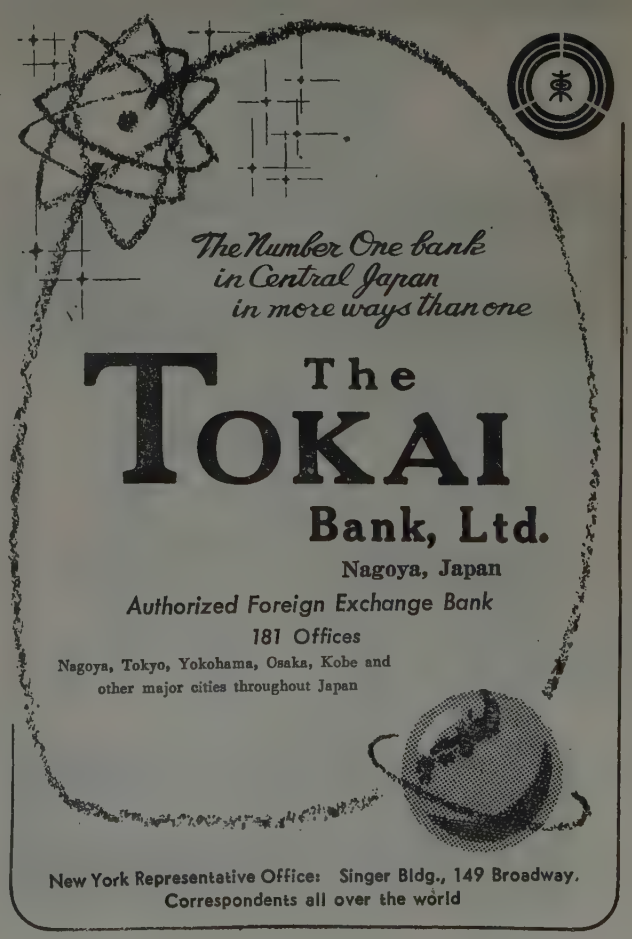
In the spring of this year, Belgium successfully sold 425,000 mt. of ammonium sulphate to Communist China, West Germany, Italy, etc. are reportedly making efforts to advance into the Chinese market.

For ammonium sulphate, Japan's export price now stands at about $57.5 per mt. European countries are selling their products in Asia at $55–57, or about $10 cheaper. As listed in Table 2, Japan's best clients are such neighboring countries as Taiwan (under the Kuomintang regime), China and Korea. On these markets, local interests can compete with foreign rivals simply because they can enjoy a favorable difference in shipping freight. Their business certainly would be doomed to collapse if and when Americans should enter the arena with their cheap by-product ammonium sulphate.

As for urea, the spread between local and foreign prices appears to be far smaller than in the case of ammonium sulphate. But utmost efforts must first be made to cultivate markets as it is not used so widely as ammonium sulphate in the Asian countries. At present, China and Korea are prospective customers. In the 1955 fertilizer year, a long-term contract was signed with Taiwan for 330,000 mt. of ammonium sulphate. Shipments to Korea totalled not more than 170,000 mt., inclusive of ammonium sulphate and urea. This much can be sold to these countries in the current fertilizer year. Even in this case, the 1,000,000-mt. goal could hardly be attained unless a sizeable amount was shipped to Red China.

On October 24, a Fertilizer Mission, consisting of representative fertilizer makers, left Tokyo for China. The Mission will conduct business talks for fertilizer sales in the coming year. China has reportedly concluded fertilizer purchase contracts for the current year, but a good deal can be anticipated of her buying for 1957.

The protraction of the Suez Canal dispute



certainly will bring about a disadvantage on fertilizer shipments from Europe to the East. For the 1956 fertilizer year, therefore, there is no need to take too gloomy a view of the trade situation, but the 1,000,000-mt. target is easily said but difficult of realization under the prevailing conditions.

2. AMMONIUM SULPHATE EXPORTS BY DESTINATION
(In 1,000 mt.)

	1953*	1954*	1955*
Korea	165	92	41
China	10	92	93
Ryukyus	13	8	14
Taiwan	250	284	274
Others	12	3	21
Total	449	479	443

Note: *=Fertilizer year.

Source: The Japan Ammonium Sulphate Industry Association.

Rapid Capacity Boost Expected

Expansion plans now are in full swing. In order to cut down the cost of production to the international level, a five-year rationalization program has been stepped up since 1953. But indications are that the industry's equipment capacity certainly will be expanded far above the scheduled target.

In April, 1953, annual capacity totalled 2,892,000 mt., of which the electrolytic process comprised 763,000 mt. and the gas process 2,129,000 mt. The figure jumped to as high as 3,882,000 mt. in April, 1956: i.e. capacity sharply climbed up to 3,068,000 mt. for the gas process though it marked time and slightly advanced to 814,000 mt. for the electrolytic process (less efficient because its operation rate is far lower than the gas process). Such mushrooming expansion was ascribed not so much to the increase of capacity attained as a natural outcome of rationalization as to the output boost campaigns all the companies had carried out, vying with one another, as the most effective means for cost cutting.

It does not mean, however, that rationalization is at a low ebb. Efforts have so far been pushed toward modernization of plants and equipment, on the one hand, and, on the other, greater production of urea and better compound fertilizers. Recently makers are all trying hard to turn to more efficient gas sources for cost reduction. Some of them have already succeeded in converting from coal and coke to fuel oil and low-grade coal. Vigorous attempts are pushed by all the makers to utilize, as material, natural gas, coal mine gas and waste gas available from oil refineries and thereby to ats tain a drastic cost slash. In line with the progres of such rationalization, production capacity will further climb up.

In addition to the scheduled expansion of the existing plants, two new-comers—Sanyo Chemical and Nippon Gas Chemical—will construct their own. Thus, the total capacity will make another jump to 4,201,000 mt. a year by April, 1957. By the end of that year, Toyo Gas Chemical Co., a new firm set up jointly by Toyo Koatsu Industries and Teikoku Oil, will complete its plant for urea and ammonium sulphate. Toyo Koatsu Industries is reportedly planning to construct another plant somewhere in Chiba prefecture.

As part of petrochemistry, Mitsui Petrochemical, Mitsubishi Yuka, Sumitomo Chemical and Showa Denko are intending to start ammonium sulphate production. They will build their plants from 1957 to 1958. Some others are mapping out plans for expansion or rationalization.

Such being the circumstances, it will not be long before the total capacity will top the 5,000,-000-mt.-a-year mark.

Not only that, production capacity is rising rapidly also for urea as listed in Table 3. In April 1956, six ammonium sulphate companies were operating seven urea plants with the rated capacity of 296,000 mt. (651,000 mt. in terms of ammonium sulphate). The capacity will further rise to 375,000 mt. in terms of ammonium sulphate) by April, 1957, as Mitsubishi Chemical Industries and Toyo Koatsu Industries will expand their existing plants and Sanyo Chemical and Nippon Gas Chemical will build new ones. Besides, plans are under way for expansion or new construction by such firms as Ube Industries, Befu Chemical, Nippon Hydrogen and Toyo Gas Chemical.

Thus, it will become necessary to sell abroad

1,500,000 mt. in the 1957 fertilizer year (starting with August, 1957) and more than that in the following years. The question naturally presents itself: Will it be possible for Japan to export such an increasing amount of nitrogen fertilizers? A section of interested circles is voicing a warning against the possible over-capacity as already mentioned.

3. PRODUCTION CAPACITY OF UREA
(In mt. per annum)

As of April 1	
1952	69,840
1953	97,540
1954	123,500
1955	186,500
1956	296,200
1957 (est.)	374,600

Source: The Ministry of International Trade & Industry.

Exports to China Held a Key

After all, nothing appears to be more essential for the industry than to cut lower and lower the cost of production and to prepare for the intensifying rivalry on the world market. For this purpose, plans must needs be accelerated for rationalization and modernization through a switch-over to efficient gas sources, etc. Production capacity naturally will expand accordingly. A section of expert opinion, however, entertains no apprehension about the possible over-equipment, for the industry now stands on the stage of transition from obsolete to up-to-date equipment. Old equipment is simply being replaced by new one, and this will not lead to any over-capacity of serious proportions.

In the Asian countries, on the other hand, demand for nitrogen fertilizers is enormous. Their purchases for the coming 12 months are estimated at 2,700,000 mt. Especially in Red China, demand will expand snowballing in line with the progress of economic construction.

Even if there is no fear of over-capacity, however, it will be difficult to export 1,500,000 mt. or more a year. Less-than-cost sales will have to be made in some cases.

In any case, the projected boost of fertilizer exports, or the future of the ammonium sulphate industry itself, is much dependent upon whether or not Japan can secure China as a stable market. Though a little too late, the Government has set up fertilizer service centres in the Southeast Asian countries, thereby to collect information and to promote fertilizer trade there. China can be said to be more important a market than any other Asian country. Adequate steps must be hurried up for greater sales to China, for Japan is far behind the Western countries on this market. A good deal is expected from the activities of the Fertilizer Mission now in China. At home, flexible promotional measures will be necessary for pricing, supply-demand adjustment, etc.

Expected Out in Coming March!!

JAPAN ECONOMIC YEAR-BOOK

1957 Edition

—A Most Accurate & Comprehensive Annual of Latest Economic Changes—

Major Items:

Finance, Money, Securities, Prices, Production, Foreign Trade, Agriculture, Forestry, Fisheries, Transportation, Labor and 50 Key Industries. Principal Economic Statistics. List of 900 Major Companies, Government Offices, Public Corporations, Chambers of Com. & Ind., etc.

125×180mm *¥500 a copy (postage ¥30)*
Overseas $2 (postage incl.)

THE ORIENTAL ECONOMIST

Out this Month!

JAPAN COMPANY DIRECTORY

(1957 Edition)

A thesaurus of the latest reports on the scales and activities of 300 selected industrial, business and trading companies and exchange banks in Japan.

Principal items include:

Date of establishment; Head office and branches in Japan and abroad; Factories; Directors; Authorized and issued capital shares; Major stockholders; Share price changes in past several years: Business results; Dividends; Details of specialized lines.

"Who's Who" as a handy supplement lists the names of 1,000 leaders in Japanese business, industry and finance.

Pp 250 *¥1,000*
182mm×257mm *a copy*

THE ORIENTAL ECONOMIST

Atomic Fuel Corporation

By Yoshitake Sasaki

After the ending of World War II hostilities the drawn-out "cold" war between the United States and Russia, the Korean War, and other occurrences tended to head the effort toward utilization of atomic energy predominantly in the direction of military weapons of increasingly greater destructive power. However, with the subsequent relaxing of international tensions the natural outcome has been more emphasis on peaceful applications of nuclear energy. Meanwhile, the situation in regard to atomic energy in Japan was notable for the extreme apathy manifested. This was the result of various adverse factors, among which can be counted the mental lethargy induced by the stunning military defeat, the acute shortages of all supplies, the ban, under the Allied Occupation, upon all research in the nuclear field, and the psychological antipathy toward atomic energy, natural perhaps to a nation which alone among all others underwent the harrowing experience of A-bomb attacks. This state of mind probably was unavoidable. Nevertheless, it must be said that the changes wrought upon this passivity to bring about a full realization of the revolutionary significance of the peaceful uses of atomic energy are undoubtedly due to the irreversible tide of progress.

Enactment of Atomic Laws

Looking back on the events of the past year, including such milestones as the provisional signing in June 1955 of the United States—Japan Atomic Energy Agreement, the participation in August 1955 in the International Conference on Peaceful Uses of Atomic Energy at Geneva, the enactment by the National Diet of the Atomic Energy Basic Law, the enforcement at yearend of the United States—Japan Atomic Energy Agreement, and the formation early this year of the Atomic Energy Commission, there is no comparing of the public sentiment when the United States proposal for an agreement was first made early in 1955 with the feeling a year later when something describable as an atomic energy boom could readily be sensed. In the midst of this intensified public interest in peaceful applications of atomic energy, there was created on August 10, 1956 the Atomic Fuel Corporation, a government corporation, whose mission it will be to furnish fissionable materials for the nuclear reactors.

Needless to say, development and utilization of atomic energy are contingent upon technological progress, particularly in regard to nuclear reactors. It is also obvious that adequate supplies of atomic fuels, such as uranium and thorium, must be made available, while the development of the sources of such fissionable materials must also be undertaken. However, because of the international situation, conditions tend to be such that purchase of nuclear fuel and materials is rendered extremely difficult. This is particularly so because the countries advanced in atomic technology give high priority to military uses of fissionable materials, and are therefore concentrating on acquisition and development of these supplies with enforcement of strict curbs upon egress of such materials. Consequently, in order to expedite utilization in Japan of the energy obtainable from nuclear fission, it has become a paramount and pressing necessity promptly to undertake exploration, prospecting and development of domestic atomic resources.

Nature of the Corporation

The contention of the Joint Atomic Energy Committee, formed around those Diet members who attended last year's conference in Geneva, that there be established, with government funds, a special organization in the form of a government corporation, for concentrated exploration, development, production and control of fissionable materials and fuels, was undoubtedly based upon the reasoning outlined above.

However, from the very outset there appeared opposition to this proposal, which generally speaking could be classified into two groups.

The first group of arguments contended that it is too early to form a special organization for atomic materials prospecting and exploitation, and for build-up of nuclear fuel production facilities, in view of the fact that the nationwide general survey being undertaken by the Geological Research Institute is still in progress, while there is no established technology in regard to treatment of raw ores or to refining of fissionable materials.

The second group of opponents raised doubts as to the character and functions of the proposed special organization. Granted such a corporation is necessary, should it be set up as a government corporation, and would it be essential to concentrate all production and control of fissionable materials in the hands of such an entity?

These objections notwithstanding, the draft of the Atomic Energy Basic Law was introduced as a near-unanimous motion on the part of the members of the House of Representatives in December 1955, toward the end of the extraordinary session

of the National Diet. Because of the circumstances the bill soon became law, and besides providing for the establishment of the Atomic Energy Research Institute as the organ for study and development of nuclear energy, it legalized the formation of the Atomic Fuel Government Corporation for exploration, mining, refining, and control of fissionable raw materials and fuels. Moreover, because while the bill was under discussion the Government pledged it would present, to the next plenary session of the Diet, legislation necessary for establishing the Atomic Energy Research Institute and the Atomic Fuel Corporation, the ways for the launching of the Atomic Fuel Corporation were laid, and the proponents of the premature argument were silenced since early this year. Consequently, the tenor of criticism has shifted to closer scrutiny of the nature of the Atomic Fuel Corporation and its projected functions.

The Sole Investor—Government

Meanwhile, the same extraordinary session of the National Diet as that which passed the Atomic Energy Basic Law enacted the Atomic Energy Commission Establishment Law, and amended in part the Office of the Prime Minister Establishment Law so that, in January 1956, there were created the Atomic Energy Commission, charged with policy-making in connection with utilization of atomic energy, and its secretariat, the Atomic Energy Bureau of the Office of the Prime Minister (since May 19, the Atomic Energy Bureau of the Science and Technology Board). Consequently, the aforementioned Joint Atomic Energy Committee indicated to the new Atomic Energy Commission the draft that had been prepared for the proposed Atomic Fuel Corporation Law, seeking to have its recommendations passed on by the Commission to the Government. According to the original plans of the Joint Committee the proposed Atomic Fuel Corporation was to be a government corporation legally organized along the lines of the three big government corporations, the Japanese National Railways, the Monopoly Corporation, and the Telecommunications Corporation, while the activities of the proposed entity were to be, in addition to exploration, prospecting, mining, and import and export of nuclear raw materials, "monopoly over the refining of fissionable materials for production of nuclear fuels····separation and disposal of nuclear fuels and the waste products of nuclear fuels····purchase and disposal of radioactive materials and radioactively contaminated materials."

Because the Atomic Energy Commission felt the need of proper coordination of the activities of the Atomic Fuel Corporation with those of the Atomic Energy Research Institute, whose organization it had under study, it undertook a detailed review of the proposed activities of the Atomic Fuel Corporation. The findings of the Atomic Energy Commission were that it could see no reason for monopolization by the Atomic Fuel Corporation of refining of fissionable materials, and it gave voice to the opinion that for the present, at least during the research phase, such refining of fissionable materials could be done more efficiently and effectively if private enterprise and academic circles were to be permitted to participate.

It was furthermore contended that even though ultimately the proposed Atomic Fuel Corporation would, because of the raw materials and facilities situation, monopolize the undertaking of refining, this activity could, without recourse to an organizational law, be legalized, as in the case of the Salt Monopoly Law and the Tobacco Monopoly Law, by means of a functional law for control of fissionable and other nuclear materials; that therefore the functions of the proposed Atomic Fuel Corporation could be restudied at the time of enactment of such a law based upon the Atomic Energy Basic Law. It was also pointed out that "separation and disposal of fissionable fuels and waste products thereof" would, for some time to come, be concentrated mainly at the Atomic Energy Research Institute, the proposed site for experimental reactors, so that monopolization by the Atomic Fuel Corporation of these activities would not be reasonable until operation on an industrial scale became feasible.

Corporation's Duties

On the first point, concerning the constitutional form of the proposed corporation, the Atomic Energy Commission and the Joint Atomic Energy Committee were unable to come to an understanding. However, the AEC decided to respect the opinion of the Joint Committee in recommending the government corporation form, and after introducing some revisions in regard to activities, it drew up what amounted to be the initial Government draft of the Atomic Fuel Corporation bill.

However, when concurrence was sought among government circles, there was no strong opposition to the scope of activities, but there was encountered strong objection, on two counts, to the government corporation formula.

First came the disapproval of the Legislative Bureau, on the basis of legal theory. If the new corporation is considered to rank with the three big government corporations and is established under the same legal stipulations, then it must naturally be governed by the special Labor Law for Public Utilities and Other Organizations. This is going too far because as against the three big government corporations, which had long been operated by the state, and which, were they to cease working smoothly, would cause widespread inconvenience and anxiety, the proposed Atomic Fuel Corporation will for some time be incomparably small in size, having in its first year of

operation barely a hundred employees, with little direct influence on daily life. Therefore, to make the special labor law applicable to its employees, simply because of government corporation status, would not only be ridiculous, but could possibly be construed as infringement of the basic human rights guaranteed workers by the Constitution.

The Ministry of Finance raised objections on budgetary grounds. The proposed Atomic Fuel Corporation would, for some time, be a small operation. Moreover, unlike for instance the National Railways and the Monopoly Corporation, it will not have sources of revenue with direct bearing on national living, so its effect upon government finance and the national economy will be of no appreciable magnitude. Consequently, there is little or no justification for requiring the Atomic Fuel Corporation's finances to be included in the so-called government agency budget account, for which National Diet deliberation and approval are mandatory; and to impose such budgetary control would rather impede the smooth and flexible working of the fledgling corporation. Therefore, the logical thing to do would be to avoid the government corporation formula, and to put the proposed Atomic Fuel Corporation under the budgetary control of the competent government ministry notwithstanding the 100 per cent government financing of this entity. Furthermore, although the problem pertains to the current fiscal year only, if the Atomic Fuel Corporation budget must be passed by the National Diet, the Finance Ministry would have to revise the government agency budget request for fiscal 1956–57.

Future Plans

Deeming these objections worthy of consideration, the Atomic Energy Commission entered into negotiations with the Joint Committee, recommending change in status of the proposed Atomic Fuel Corporation to that of a public corporation (*Kodan*) instead of a government corporation (*Kosha*). But it soon became apparent that such a change in name and status would require amendment of the Atomic Energy Basic Law; and because the Joint Committee took the stand that the circumstances under which the Atomic Energy Basic Law was enacted, and the resolutions passed in connection with the act precluded any wanton revision, there occurred at one time quite a deadlock between the Joint Committee and Government. A compromise was effected, however, with no change in nominal status, but with application of the special labor law and Diet control of the budget waived. In this manner the second, revised bill was arrived at for presentation to the Diet, which on April 30 duly enacted the Atomic Fuel Corporation Establishment Law for enforcement from May 4, 1956 in its present form.

Because the Atomic Fuel Corporation is the product of the comprise explained above its legal status is a peculiar one, being more akin to such public corporations as the Housing Corporation and the Highway Corporation than to the three big government corporations. In short, it is describable as a public corporation with a government signboard.

Although it is 100 per cent financed by the Treasury, its budget, unlike other government corporations or public banks, does not have to be approved by the National Diet. Its finances and accounting are merely under the supervision of the competent minister of state and the Minister of Finance. Its employees are governed, as in the case of any private enterprise, by the ordinary labor laws. But because of its status as a government corporation, it is required to submit business and other reports to the National Diet, and certain laws and regulations that are applicable to the three big government corporations may in some cases be invoked. This, nevertheless, was done in order merely to set the Atomic Fuel Corporation apart from the other public corporations; and there is very little in the way of giving it full government corporation status.

What then are the expected activities of the Atomic Fuel Corporation whose antecedents are as above-described? The AFC Establishment Law prescribes in Article 19 the principal business of the corporation as follows: "prospecting, mining, ore-treatment, import, purchase, and sale of nuclear (fissionable) raw materials, and production, processing, import and export, purchase, sale, and loan of nuclear (fissionable) fuel materials." The expected activities for the current and coming fiscal years will be outlined below.

As mentioned at the outset it is desirable to become self-sufficient in fuel resources. But it is still questionable as to whether or not there exist within the limited area of Japanese territory deposits of uranium or thorium ores. The second problem concerns the practicability, assuming that such deposits exist, of economic mining, ore-treatment, and refining.

As to the first problem, the Geological Research Institute has, since the year before last, been undertaking a nationwide survey in a general way. However, its activities tend to come up against limitations imposed by the budget, personnel, and job qualifications. A logical solution of the second problem verges upon the impossible. For several years to come, the Atomic Fuel Corporation will perforce give top priority to study of undertaking, on an industrial scale, the production of fissionable materials. For the current fiscal year, it is likely that work on a considerable scale will be undertaken in connection with prospecting by means of borings, excavations, and tunnelings in the Ogamo and Ningyotoge and other districts of the Chugoku area, reported by the Geological Research Institute survey to be promising, in order to determine the size and nature of the deposits and the quality of the

ore. In fiscal 1957–58, exploration will be expanded, with addition of prospecting locations, and with bigger operations for higher precision.

In so far as these exploration activities will be undertaken regardless of previous claims of location, without insistence on the corporation's rights to ownership or franchise, the work is very much in the way of a public service. Consequently, both the Corporation and the Geological Research Institute are empowered to undertake unhindered exploration by virtue of the Nuclear Raw Materials Development Promotion Emergency Measures Law, which was enacted together with the AFC Establishment Law. The AFC naturally is expected to apply for mining concessions of its own and make purchases from private or other owners. In so far as the AFC will be undertaking this exploration in the interest of the general public it cannot, for the time being, be expected to operate on a commercial basis. Nevertheless, it is highly desirable that its activities develop, from prospecting to mining and refining, as quickly as possible on an industrial scale.

The Nuclear Raw Materials Development Law, besides providing for forcible exploration, is so worded to permit enforced exploitation in the event the concession holder willfully abstains from mining workable deposits. The intent, of course, is to promote the public interest.

Because the Atomic Fuel Corporation is not a mere nuclear raw materials development organization, its ultimate purpose is to produce fissionable fuel elements from refined ores. Although it will probably not be possible to commence preparations this year for refining operations, work will be started in fiscal 1957–58 on a pilot plant for ore-dressing and refining. It appears advisable to venture ahead in refining, even if it turns out that domestic ores are insufficient and import must be undertaken. Needless to say, the analytical facilities, required at all stages of nuclear fuel production, will have to be promptly established.

Looking slightly farther ahead, it will be necessary to attempt economic production of fissionable fuel elements on an industrial basis; and, in anticipation of the time when there will be in operation more than a dozen nuclear reactors in Japan, to work out, in conjunction with the Atomic Energy Research Institute, plans for disposal of radio-active waste products and reprocessing of used nuclear fuels. Once the industrial scale stage of atomic energy utilization is attained, the AFC probably will be charged, in addition to supply of fissionable materials, with salvage and reprocessing of such fuels.

In the cold light of reality, the future of the Atomic Fuel Corporation appears to be far from smooth. There are numerous possible factors, any one of which could become a major setback. For instance, should the domestic deposits of nuclear raw materials turn out to be critically small, the studies and preparations made by the AFC for ore-treatment, refining, and fissionable materials production may have been in vain.

Again, assuming that some workable deposits are found and mining is started, what would happen if world tensions were to ease and the raw ores became easily obtainable from less costly sources? The burden of subsidizing domestic ore production could become quite excessive.

Thirdly, in the event domestic sources of ore cannot be found, and importation of ores continues to be impossible, then industrialization of ore-dressing and refining would be reduced to more plans on paper.

Although there is the risk that the future of the Atomic Fuel Corporation may be affected seriously by these indeterminate factors, it appears sensible to make an attempt for development of nuclear material resources and for production of fissionable fuels.

Ecouragement should be found in the case of France. Whereas only a few years ago in 1952 it was thought that France possessed no nuclear raw material resources whatsoever, the outcome of four years of development work and the expenditure of Fr. 2,500 million has been that France is now self-sufficient in so far as present needs are concerned.

(The writer is Chief of the Atomic Energy Bureau, Science and Techniques Agency)

The

Japan Trade Monthly

The Japan Trade Monthly, founded more than 18 years ago, has been playing a vital rôle in acquainting foreign traders and industrialists with the latest developments in Japan's economic, commercial and industrial fields.

The Japan Trade Monthly is one of the most dependable guides to the swift progress of Japan in her postwar recovery.

Subscribe now. Sample copy will be sent immediately upon request.

Published by

K.K. Dentsu

Dentsu Building, Nishi-Ginza, Tokyo

Glimpses of Japanese Culture

Surgery in Japan Today

By Seiji Kimoto M.D.

Surgery in Japan has made great strides since the war, with complicated operations never before dreamed of performed daily. In large part, of course, this is due to the introduction of new, effective antibiotics in the nation's hospitals. But the greatest credit should go to the great advance in anesthesia and the almost fantastic improvement in supportive therapy and pre- and post-operative treatments. General anesthesia can now be accomplished smoothly by means of intracheal intubation. Meanwhile, developments in measuring blood pressure and the exact amount of bleeding have enabled doctor to give blood transfusions and other medicinal injections more effectively.

In larger operations, such devices as the electrocardiography, electroencephalography, and oxymetry are used, while arterial blood pressure, venous blood pressure and sometimes rectal temperature and brain temperature are continuously measured by specialists.

Major surgery demands highly modernized operating rooms and facilities equipped with a complete line of advanced medical machinery. To our pleasure, operating rooms of this caliber have now been completed or are under construction in all principal Japanese cities.

Pre- and post-operative treatment is now considered as important as the operation itself. In this respect again, Japanese surgery has made great progress. To cite only one example, mortality after stomach resections, as high as ten percent only a short time ago, has now been virtually eliminated. The main reason for this welcome drop is the careful pre-operative examination of the patient's condition. If any abnormalities—for example, faulty protein metabolism—are detected, doctors correct the disorder before surgery.

Cardiac Surgery in Japan

Another factor that demands particular attention is that not only pre- and post-operative treatment but the operation itself is now guided not by the doctor's subjective grasp of the patient's condition but by the careful, thorough scientific analysis of the patient. The final diagnosis is so clearcut that everything is expressed in concrete figures.

Surgical fields which have witnessed particular progress or which have been added in the past few years include neurological surgery, surgery of esophagus, pulmonary resection, removal of mediastinal tumor, cardiovascular surgery, surgery of portal vein, resection of liver and pancreaticoduodenectomy.

First of all, let us examine the achievements in the field of cardiac surgery. Aside from the surgical division of the patent ductus arteriosus which has been performed successfully since 1938, it was only in 1945 that cardiac surgery in medical practice was taken up. Since then, surgery has been applied to such congenital diseases as coarctation of aorta, pure pulmonary stenosis, tetralogy of Fallot as well as to such acquired heart ailments as mitral stenosis. It was also about this time that the commissurotomy was first performed.

Cardiac surgery in Japan has progressed in earnest since about 1951. Despite seemingly unsurmountable handicaps resulting from a scientific isolation during the Pacific War, the tremendous efforts and the unrestricted passion for improvement shown by Japanese students of cardiac surgery have advanced them to the level of the most advanced cardio-surgeons in Western countries. As early as 1952, successfully treated cases of surgical division of patent ductus aorteriosus, tetralogy of Fallot and mitra stenosis were made public and now Japanese cardio-surgeons are favorably compared with their counterparts abroad.

Only until a few years ago, doctors could do only closed or blind operation on the heart in which they were unable to see inside. Open heart surgery, in which doctors could open the heart to watch what they were doing was the long-cherished dream of every cardio-surgeon. The biggest obstacle was the apparent impossibility of keeping the inside of the heart dry. But rapid progress in cardio-surgery finally solved the riddle and in 1953 the cardiac inflow occlusion by means of hypothermia, the product of extensive research in the United States since about 1951, was successfully adopted in medical practice.

The artificial heart and lung (whose application has been intensively studied since 1937), on the other hand, met success in 1954 and cross circulation was also adopted at that time in the United States and others.

In Japan, open heart surgery has been one of the most important items on the medical agenda since 1953. In view of the danger involved in the use of general hypothermia, Japanese cardio-surgeons have finally devised a much safer method for such surgery—selective brain cooling by irrigation.

Theory of Hypothermia

The theory of hypothermia, in simple terms, is that when the human temperature is lowered to 30°C—25°C, general metabolism is greatly reduced and the blood flow to the heart can be withheld much longer than under ordinary conditions. To be more exact, the natural time limit of occluding the blood flow to the heart is around three minutes. The brain and heart muscles suffer irreparable damage if the period is prolonged. In particular, brain could not withstand the state of anoxia more than three minutes. When hypothermia is used, on the other hand, brain metabolism is greatly reduced, while the oxygen consumption decreases, permitting more than ten minutes of circulatory arrest in which cardio-surgeons can safely operate on the heart.

In the case of general hypothermia, however, ventricular fibrillation is liable to result. So in reality it becomes impractical and dangerous to lower the temperature below 28°C, where the safe circulatory arrest period is within 5–6 minutes.

In the case of selective brain cooling by irrigation (which was designed to correct this weakness in general hypothermia), the brain temperature is reduced to 15°C—18°C by means of cooling the carotid arterial flow, providing a much longer interval in which to operate on the heart. Another advantage of selective brain cooling is the reduced frequency of ventricular fibrillations because, despite the drastic brain temperature drop, body temperature is kept at about 30°C, while coronary circulation could be arrested for considerable time. Thus, except in extremely serious cases of myocardial impairments through arterial septal defect and ventricular septal defect, circulatory arrest can now be safely exercised for 10–13 minutes.

This selective brain cooling system is a purely Japanese invention and is a great step forward in cardio-surgery.

To achieve a safer operation, moreover, a method has now

been invented to perfuse arterialized blood to the coronary artery alone, while the selective brain cooling by irrigation is at work. Through this combination, not only the septal defect but also some cases of tetralogy of Fallot can now be completely cured.

But there is a weak point in selective brain cooling as well. The system can not be applied in extreme cases of myocardial impairment and anoxia, in which irreversible myocardial injury can result in a very short time. In such cases, danger is involved even in lowering the general body temperature to 30°C. Hence the necessity for circulatory arrest under normal body temperatures.

The idea of extracorporeal circulation and artificial heart and lung were born out of this necessity. In Japan artificial heart and lung has been in the experimental stage for the past several years and in 1956 some successful cases were reported.

The purpose of the artificial heart and lung is to channel out the blood bound for the heart into machines outside of the body and carry out gas exchange in venous blood and send it directly into the arteries. In this way, the respiratory effect is achieved without giving any trouble to the heart, which is kept dry for the cardio-surgeon's knife.

Intracardiac Surgery under Direct Vision. Right auricle is widely opened and the septal defect is about to be sewed up.

Artificial heart devices have been constructed by several specialists. The indispensable factors in the artificial heart and lung are: 1) that the device should circulate as much blood as possible to keep blood pressure high; 2) it should, most of all, be effective for oxygenation; and 3) it should keep a constant balance between the blood taken out of the body and that sent in to the body.

Although the heart is very dry, the blood sent to the coronary artery runs through the coronary sinus and right atria into the heart. So it becomes necessary to aspirate that particular blood, which generally flows at more than 200cc a minute. If the operation time is prolonged, therefore, the loss of patient's blood is considerable. Usually, the blood aspirated from the heart is dangerous and can not be used in any way, but a special device is now available to safely turn the aspirated blood back into the circuit.

To offset the loss of blood during the operations and to fill in the artificial heart, 4,000cc amount of blood is prepared for transfusion. The effect of this large amount of blood upon the patient's body is considered to be far from negligible and careful studies are now being conducted to analyze it.

Thus, in the near future, Japan will see increasing cases of successful intracardiac operations.

As you have seen above, Japanese intracardiac surgery is now clearly on a par with such advanced countries as the United States, and Japanese cardio-surgeons are on the way to perfection abreast with American and European scientists. Handicaps suffered during the Pacific War have been completely surmounted.

In fields of surgery other than the intracardiac operations, progress has been equally amazing. For example, lung resections have now become a daily routine in most first-class hospitals with extremely good results, while esophageal cancers are usually removed without much risk. Gastric cancers and peptic ulcers of the stomach and duodenum, two big lifetakers of the past, are now cut out as easily as vermiform appendices. Even pancreaticoduodenectomy against the pancreas carcinoma is not considered too much a risk today.

Vascular surgery is another field in which the post-war advance is noteworthy. As is well known, arterial homotransplantation, the transfer of another person's artery to the patient, has been imperative in such diseases as aortic aneurysms, occlusive diseases and injuries of main trunk artery of extremities (carotid artery, subclavian artery, Iliac and femoral artery, popliteal artery). Thus, arteries should constantly be kept on the medical shelves. At first, arteries were preserved in a balanced salt solution or Ringer's solution. But they did not last in either of the solutions. Consequently long-term preservation by means of lyophilization is now widely used.

In Japan, alcohol preservation has been in use since 1951. The advantage of this system is that arterial heterotransplantation (the grafting of animal's artery on human artery) is possible. This is indeed a great contribution to the arterial surgery of the world.

Vascular Grafting

With the amazing improvement of synthetic materials, vascular grafting is now common. In Japan, a successful case has recently been reported of vascular grafting of artery made of nylon in thoracicaortic aneurysm. It is a safe guess that synthetic materials will further be used in this field of surgery. Surgery of portal vein is another case in point. This kind of operation, first applied in the United States in 1945 in the form of portacaval shunt, has been successful in treating such diseases as liver cirrhosis and Banti's syndromes. In Japan, such surgery started in 1950, and the portcaval shunt and splenorenal shunt have successfully been adopted. Portacaval shunt is especially effective in lowering the elevated portal pressure but in the case of Banti's syndrome, the operation, unlike the reported results in the United States, leaves liver insufficiency and causes so-called Eck fistula syndromes. Thus, Japanese surgeons attacked the problem from their own angle.

Firstly, portal arterialization (end-to-end anastomosis of liver-side portal artery with the spleen artery) was tried in the hope of limiting the bad effect caused by the circulatory arrest to a minimum as well as sending in quantity the arterialized blood into the liver. The idea seemed very good and in experiments proved correct. But the operative procedures are so complicated that the method is impractical.

Next, the intrahepatic omentopexy (in which omentum is put into the liver) was tried with less success.

Finally, intrahepatic arterial implantation (in which the gastric artery is put bleeding into the liver) was thought out. This proved to be the most effective of all, as it prevents the liver insufficiency after the portacaval shunt, while the Eck fistula syndrome is extremely unlikely to appear. As the theory is further strengthened with more clinical trials, it will be another great achievement in surgery.

(*The writer is professor of surgery, Tokyo University School of Medicine*).

Commodity Market

Cotton Goods:—The cotton goods market continued unexpectedly steady during August through September. After a long-drawn slump which lasted from May to July, it was generally expected that the prices of cotton goods would slip further throughout the summer season. The unusually hot spell from early summer, however, pushed the domestic demand to an unexpected size and boosted the prices. According to the Ministry of International Trade & Industry, the domestic demand for cotton yarn which amounted to 112,000 bales in May swelled to 151,000 bales in June and further to 152,000 bales in July, although August saw a slight slip to 132,000 bales. The average monthly demand for cotton yarn stands at around 200,000 bales, including 120,000–130,000 bales for domestic consumption and 60,000–70,000 bales for exports, but domestic deliveries during June and July far excelled the past monthly average. In terms of yarn, the exports reached 63,000 bales in June, 65,000 bales in July and 68,000 bales in August, thus marking a sharp decline from the monthly shipments in earlier months. While active domestic demands have served to prevent the market quotations from making further dips, however, no particular stimulants are apparently in evidence or in prospect to promise the further stiffening of the cotton market. Production has been increasing and inventories have also been rising, although the rising tempo of the latter has been slower than originally expected. Ths monthly production of pure cotton yarn amounted to 217,000 bales in June, 223,000 bales in July, 218,000 bales in August and 226,000 bales in September. Inventories of cotton yarn and fabrics (in terms of yarn) have also been continuing up with the August-end balance standing at 402,000 bales. Hasty attempts are rampant to increase cotton spinning facilities. As of the end of August, there were 8,571,000 spindles installed and it appears likely that the total number will reach 9,000,000 spindles by the October 20 deadline for official registration. The most important problem now facing the cotton industry is the regulation of Japanese cotton goods exports to the United States which has been closely studied between the Ministry of International Trade & Industry and cotton circles in general. The restriction plan now in the mind of MITI appears to be based on the following details: 1) The export frame for the current-year exports is set unchanged at the actual export volume last year—270,000,000 square yards; 2) The total frame is divided equally between primary products (fabrics) and secondary products (such as blouses and other processed items), each taking 135,000,000 square yards; 3) Secondary products are to be classified into three categories, A, B and C, each of which is to be subjected to restrictions by different methods. It is reported that MITI is planning to impose more strict restrictions over velveteen and gingham, and to set individual frames for different secondary products belonging to Category A such as blouses, sport shirts, short pants, damask and knitted goods.

Meanwhile, a Japanese-German cotton conference was held in early October on the occasion of the visit of a West German cotton mission. Major problems discussed at the conference were restricted mostly to raw cotton issues such as the stabilization of the cotton quotations and the abolition of support prices.

Chemical Fibres:—Rayon filament yarn continued strong throughout September. Since early October, however, the quotations started to slip under the impact of several deterrents such as the reported plan of MITI to impose restriction on the further price rise, the increasing inventories of cotton goods and the rumored possibility of import restrictions on textile goods other than cotton products in Indonesia. The exceedingly stiff tone of rayon filament yarn quotations has been totally due to the extremely small amount of the product placed for sale in the market. Of the total production, only about 15% is generally bound for the market, as other 85% is channelled directly to large-scale weavers, subcontract processing, exports and other non-market quarters. The monthly production of viscose rayon filament yarn, which was estimated at 250 tons daily at the start of this year, was boosted to 279 tons by the end of July and is expected to swell further to 314 tons by the end of March, 1957, but the restricted supply directly bound for the market will remain unchanged. Spun rayon yarn also continued firm in September on the strength of active exports. Although the favorable trend is expected to remain unchanged in October, the market is likely to soften sooner or later under the impact of expanding equipments, the decreasing domestic consumption and the possible price dip of rayon filament yarn.

Woollen Yarn:—Woollen yarn quotations began to make steady gains from the start of September under the support of the firm tone of the Australian wool market. This firm tone is continuing into October. Bullish elements offering major props to woollen yarn quotations are: 1) The possible decrease of worsted yarn supplies; 2) Active exports; and 3) Favorable sales of autumn and winter items. On the other hand, some deterrents are also apparent, including 1) The standstill of wool quotations; 2) Increasing hesitation of weavers to stock yarns at the prices higher than ¥1,100; and 3) The possible boost of Australian wool imports from the original mark of 400,000 bales (under the second-half foreign exchange allocation) to 500,000 bales through commercial arrangements with Australia. Experts opine that bullish factors have been well nigh exhausted and the price is bound to zigzag around the ¥1,100 mark.

Raw Silk:—Raw silk, which remained lethargic throughout July and August, made a swift rally in late September and rebounded to the ¥2,000 mark. The firm tone of the silk market, which has continued well into October, is apparently been based on the following spurs: 1) The birth of the Yokohama Nakadori Raw Silk Cooperative Society to put a stop to the further slip of raw silk quotations; 2) Active exports of silk fabrics with yarn contracted up to March, 1957) deliveries. Weavers and exporters, on the other hand, have failed to make necessary yarn purchases; and 3) Smooth domestic consumption with the monthly sales eclipsing a year ago by over 10%.

MAJOR TEXTILE QUOTATIONS

		Cotton Yarn (Osaka)	Rayon Yarn (Osaka)	Spun Rayon Yarn (Osaka)	Woollen Yarn (Nagoya)	Raw Silk (Yokohama)
June	2	190.9	233.9	151.0	1,150	2,069
	9	200.6	245.5	157.7	1,191	2,079
	16	199.9	253.7	157.5	1,185	2,070
	23	203.1	281.0	157.8	1,201	2,076
	30	196.0	250.0	154.0	1,130	2,062
July	7	193.6	268.0	152.7	1,095	2,019
	14	186.0	268.0	152.0	1,048	1,987
	21	187.0	278.5	154.5	979	1,938
	28	170.5	251.5	143.3	962	1,956
Aug.	4	183.7	256.0	148.5	1,018	1,989
	11	180.5	260.9	149.8	1,015	1,964
	18	183.3	269.9	152.5	1,039	1,938
	25	181.9	272.9	150.0	1,023	1,909
Sep.	1	182.9	248.0	149.3	1,057	1,941
	8	183.6	245.1	149.5	1,064	1,924
	15	182.6	263.6	149.1	1,080	1,906
	22	187.0	285.0	150.1	1,093	1,919
	29	189.9	264.5	147.3	1,106	2,001
Oct.	6	188.0	244.5	143.9	1,095	2,041
	13	187.0	235.9	138.9	1,092	2,057

Labor

Improving Labor Market:—A boom of sorts has finally come to relieve the long-depressed labor market of the unsavorable appellation of "The Sunless Corner." With the bright promise of continued brisk business activities, industries, both large and small, have gone with a bang on hiring new hands. The maneuver has cut deep into the thick layers of unemployed accumulated during the long days of depression and suddenly there is enough room for the job-seekers to move about without feeling that everyday was his last on earth.

1. REGULAR EMPLOYMENT INDICES
(All Industries)

	Indices	Against the Same Period, Previous Year
First Half, 1955	110.0	98.4%
First Half, 1956	111.9	101.7
June, 1956	113.8	103.2
July, 1956	114.1	103.4

Source: Labor Ministry.

According to the Labor Ministry survey, the regular employment index in July, 1956 stood at 114.1 (1934–6=100), a 3.4% increase over the same month figure in 1955. This is a great achievement indeed in view of the fact that the over-all regular employment index in 1955 stood 1.3% less than the previous year—the year in which depression was at its worst.

This brightening tendency in the labor market is best seen in the movements of job-seekers and offerers at the employment security offices. As seen in Table 2, the number of job-seekers which had constantly been gaining since the end of 1954 began to collapse with the start of summer, 1956, while the jobs offered made an almost fantastic increase. In the month of July, the number of jobs offered grew by 50%.

2. JOBS WANTED & JOBS OFFERED
(Monthly Average in 1,000)

	Jobs Wanted	Jobs Offered
First Half, 1954	1,164	444
First Half, 1955	1,398	423
First Half, 1956	1,348	523
July, 1956	1,137	381
Against Same Period, 1955	91.3%	150.0%

Source: Labor Ministry.

Another indicator, aside from the brightening labor market, of the prospering business is the drastic drop in the number of business liquidations. The number of liquidated firms in the first half of the current year was 50% less than the figure in 1955, while the persons subjected to discharge registered 35% decrease.

Incredible as it may seem, the decrease in liquidated businesses was an amazing 70%, while the drop in discharged employees was as much as 60% from the respective figures in 1955 when the averages of June and July alone are compared. Indeed, the monthly average of 200 business liquidations and 10,000 employee discharges are the lowest ever achieved since the termination of hostilities.

Wage Hikes Active:—Another interesting point in the brightening labor market is the accelerated tempo of wage hikes. According to the Labor Ministry survey, the average nominal wage calculated out of all industries in the first half of 1956 showed 9.9% increase over the figure in 1955. This is also a welcome boost in consideration of a meager 2.5% growth achieved during 1954–55 period.

3. BUSINESS LIQUIDATIONS
(Monthly Average)

	No. of Firms Liquidated	No. of Persons Discharged
1954	734	24,143
1955	614	21,387
First Half, 1956	288	12,486
Comparison with First Half, 1955	(−)239	(−)6,969
June-July, 1956	224	9,759
Comparison with the Same Period, 1955	(−)587	(−)17,210

Source: Labor Ministry.

As there have been no sizable jumps in consumer goods prices, the increase in the average real wage has made a considerable progress. To be more exact, the average real wage increase in the first half of 1956 is 10.2% over the figure in the same period a year ago.

In the perspective of the past, the figure is well 13.5% over the pre-war wage height achieved in 1934–6 period.

Unemployment White Paper:—There are, however, some gloomy linings to the generally bright aspect of the labor market. The unemployment white paper, just released from the Labor Ministry, sums them up in the following four categories.

I. Because of a wide use of many wonder drugs, the mortality rate fell down sharply leaving one knotty problem behind —the ever increasing number of production population. Together with this increase, the post-war invasion of women into labor market forms big roadblocks in the way to full employment.

II. It is indeed true that the number of newly employed has been on the increase since 1951 but the close examination of those found jobs reveals that as much as 18.1% poured into the primary industries (agriculture, forestry and fishery), where productivity is low and limited. This is an exactly opposite trend to that found in the Western countries, where the primary industry population has been on the constant decrease. Only 28.3% found jobs in the most important secondary industries, while the rest (53.5%) squeezed themselves into various poor paying service industries.

4. VICISSITUDE IN REAL WAGES

	On Post-war Base (1951)	Improvement Over the Same Period, Previous Year	On Pre-war Base (1934–36)
1954	125.5	0.4	108.0
1955	134.3	7.0	114.4
First Half, 1955	120.7	2.8	103.8
First Half, 1956	133.0	10.2	113.5

Source: Labor Ministry.

By the scale of industry, as much as 70% of the newly employed poured into the small and medium sized businesses where productivity is lowest, while only 30% were lucky enough to cling to the coat-tails of big businesses. To make the picture more gloomy, the prospect is that the production population will reach 1,600,000 in 1960.

5. DAY LABOR MARKET
(Monthly Average in 1,000)

	Jobs Wanted Total	Jobs Offered Total	Of Which Relief Jobs
1954	7,520	6,229	4,534
1955	9,099	7,354	5,273
First Half, 1956	9,901	8,090	5,858
Increase Over First Half, 1955	1,260	1,163	894

Source: Labor Ministry.

III. Another sore spot in the labor market is the considerable work hour differences between industries. During the 1951–55 period, only 130,000 increase was seen in the standard (35–48 work hours week) work hour industries, while as many as 3,120,000 were newly employed by industries where more than 49 work hours week are routine. On the other hand, 1,890,000 persons found jobs only in part-time businesses where their efforts are called for less than 35 hours a week.

IV. The increase in poor-paying day labor fields is still another moot point. Moreover, the fact that almost the sole provider of day labor jobs is the Government and its equivalents allows a very limited scope of job choices and in case the Government happens to suspend the relief jobs, almost all the day-laborers will be out of work. This is a very precarious situation.

Foreign Trade

Trade in September

Both the amount of export earnings and that of import outlay of Japan during the month of September declined as against those of the previous month. Finance Ministry's Customs Statistics indicates that $205 million worth of exports and $259 million worth of imports were registered during the month of September. The decline was particularly marked in the imports which were less than those of the previous month by more than $30 million, and the balance was unfavorable at $54 million, which improved by $54 million as against the adverse balance of August.

1. TRADE IN APRIL-SEPTEMBER 1956
(In $1 million)

	1956	1955
Exports	1,220	972
Vessels	119	24
Iron & Steel	115	129
Textiles	111	108
Garments	65	56
Spun rayon textiles	60	40
Fishes	56	35
Rayon textiles	46	29
Imports	1,632	1,235
Cotton	258	179
Petroleum	155	105
Wool	119	87
Wheat	90	97
Scrap iron	88	34
Iron ore	72	48
Sugar	57	51

Source: Bank of Japan.

A noteworthy decrease occurred in the imports of raw materials for the textile industry, foodstuffs, non-ferrous metal ores, etc. The increasing imports since this spring have now come to make a pause.

Finance Ministry has published its Customs Statistics on the whole period of the first half of fiscal 1956 (April, 1956—September, 1956). According to the Customs Statistics, $1,220 million worth of exports and $1,632 million of imports were registered during the period. As against the figures for the first half of fiscal 1955 (April, 1955—September, 1955), both gained, the exports by $248 million and imports by $397 million. There was a great expansion of imports and the adverse balance increased by $149 million to $412 million against the adverse balance of the first half of fiscal 1955.

A striking increase was made in the export of vessels during the first half of fiscal 1956 which amounted nearly five times that of the first half of fiscal 1955, ranking the top in the amounts of various goods exported. On the other hand, the export of iron and steel declined 10% as against that of the first half of fiscal 1955. The demand for iron and steel at home expanded and curbed the export. The export of cotton fabrics remained on the same level of amount as that in 1955. This is due to the restrictions imposed on those exported into the United States.

In the imports during the first half of fiscal 1956, metal ores, scrap iron amounted more than two times those during the first half of 1955. Also petroleum, coal, textile materials, chemicals, non-metal ores increased 50%, reflecting the expanding economy of Japan. Only the imports of foodstuffs declined on account of the bumper crops in 1955, especially the imports of rice declined more than half.

The foreign exchange accounts of September showed the amount of receipts at $257 million and payments at $238 million, balancing favorably at $19 million. The favorable balance of Japan's international payments this time was the first since June, 1956. The total accounts of the first half of 1956 showed the amount of receipts at $1,630 million and payments at $1,498 million, balancing favorably at $132 million, decreasing by about $101 million as against that of the first half of fiscal 1955. The worsening of the balance was due to the increased imports, which averaged about $210 million monthly reflecting the active industrial expansion in Japan, which more than offset the active exports which averaged monthly more than $200 million mark mainly due to exports of vessels to the dollar area which have been still going strong. As against the first half of 1955, exports increased only 9% while imports went up as much as 24%.

U.S. Restrictions on Cotton Goods

The Japanese Government notified the Government of the United States Japan's policy to limit Japan's cotton goods exports into the United States on September 27, 1956. The policy has been determined by the Ministry of International Trade and Industry after it was consulted by the Department of State the cotton spinning circles to meet an informal demand for curbing the increasing amount of Japanese cotton goods in the United States. The policy aims at determining the total amount of cotton goods (including the secondary manufactured goods) to be allowed to be exported to the United States during the period from January 1, 1957 to December 31, 1957 on the basis of the actual amount of shipments to the United States. The policy also covers the following points:

(1) Besides the over-all frame of limitation, the amount of those items which are giving pressure upon American manufacturers of the same items such as velveteen and gingham should be further examined separately.

(2) To avoid any concentration of exports into a limited period of time, they should be distributed during the whole period of the year as evenly as possible. Also certain specific items should be exported into the United States to suit the seasonal demands there.

With the above policy as the basis, the Japanese Government will enter into negotiations with the Government of the United States (which keeps itself on an informal basis to reach more detailed agreements on the export of Japanese cotton goods into the United States. There are, however, many differences between the two governments' ideas. To begin with, Japanese Government tries to set the limit of the total amount of cotton goods exports in 1957 at 270 million sq. yds., but the United States Government insists to make it 220 million sq. yds. Further, the United States demands to settle a limit to each of the cotton goods classified into 8 groups which are again subdivided into 51 items, but Japan intends to confine such detailed limits to a small number of items such as velveteen and gingham. It is, therefore, believed that the negotiations would not proceed smoothly.

Let us now look back upon the past to know how it has started and developed. Cries of protest against the threat of flooding Japanese cotton goods to the American industry have been loud since the fall of 1955. In order to appease the hue and cry there, the Japanese has set a limit to exports of cotton textiles and secondary cotton goods (blouses, sports-shirts). But the State of South Carolina and the State of Alabama formulated articles to curb Japanese cotton goods in their State Laws and started putting them into effect, and Masayuki Tani, the Japanese Ambassador to the United States sent a letter to John Foster Dulles, the Secretary of State in the middle of May, 1955, indicating that Japan would strictly enforce the restrictions on the export of cotton goods to the United States. In June, 1955, Japan further reduced the amount of cotton goods allowed to be shipped to the United States. In August, 1955, Japan put restrictions on the export of gingham. In September, 1955, Japan finally put a limit to the amount of short-pants to be shipped to the United States. Despite all these painful steps Japan has imposed on herself, the movement to curb Japanese cotton goods in the United States continued so strong that new negotiations will have to be opened. The history shows that Japan has been compelled to lose her ground step after step under the pressure exerted by the

cotton textile industry in the United States.

Japanese cotton goods which had made steady inroads into the American markets aroused much fear in the cotton goods industry circles in the United States not without good reasons. First of all, not only cotton goods but most of Japanese exports into the United States are priced there lower than American made goods even after freightage, customs duties, marginal profit are added to the original prices in Japan. Secondly, Japan's exports to the United States are often concentrated on a few categories of goods so that they tend to bring pressure to bear upon the American makers of the same goods. For instance, blouses which were exported to the United States during 1954 amounted to 177,000 dozens jumped to the total of 3,995,000 dozens during 1955; and sports-shirts which amounted to 44,000 dozens during 1954 jumped to the total of 507,-000 dozens during 1955. But the concentration of exports into a few particular goods are not entirely due to the efforts of Japanese traders. That is largely due to the American buyers who tries to select a few goods which are most profitable. Also one should not overlook their driving a hard bargain over their selections as one factor of inordinately low prices of those goods.

Moreover, it is greatly doubtful if the American insistence to impose stricter measures to restrict Japanese exports of cotton goods is considered to be a wise one in the broad perspective of the general commercial relationships between Japan and the United States.

(1) The yearly amount of Japanese cotton goods, however greatly they may have made inroads into the American markets, has never reached even 2% of the total American cotton goods manufactured in one year. What is more, Japan has been the biggest customer the United States has had for its farm surplus such as cotton, wheat, leaf tobacco which it has been trying to dispose of with difficulty.

(2) The state law of South Carolina that discriminates Japanese goods is a flagrant violation of the Treaty of Friendship, Commerce and Navigation between Japan and the United States (Article 16, I), but no effective steps have been taken by the Federal Government. Worse still, the United States on the other hand demands the Japanese Government to prohibit Japanese dealers from discriminating the Singer sewing-machines invading Japan on the strength of that very article of the Treaty. If things are continuously carried on like this, the Treaty would become obligatory to Japan alone and the relations between Japan and the United States would have to cease to be on an equal footing.

Actually the U.S. Government is going to bring pressure to bear upon the Japanese Government to restrict to a greater degree what the Japanese cotton textile industry likes to export into the United States during 1957. But the U.S. Government will shrewdly remain on an informal basis to avoid shaping the negotiation with the Japanese government into a formal agreement, which as a formal record of its inconsistency with its free trade policy after the war would weaken its position in a future international negotiation. The U.S. Government thus tries to solve the awkward dilemma of maintaining its post-war policy of lowering tariffs and removing controls over foreign exchange and protecting the cotton textile industry in the United States.

(4) The balance of the trade between Japan and the United States clearly shows that, aside from the special procurements, Japan buys more goods from the United States than she sells to the United States. The Customs Statistics shows that Japan's exports to the United States amounted to $227 million in 1953, to $277 million in 1954, and to $449 million in 1955; Imports from the United States in 1953, 1954 and 1955 amounted respectively to $758 million, $847 million and $772 million. It is hardly contestable that one big factor that contributed to Japan's adverse balance in her trade with the United States has been the restrictions on the trade with China on account of the U.S. demands for its military and economic reasons.

2. TRADE WITH STERLING AREA

Oct., 1955-Sept., 1956 (£ 1 million)

	Sterling Area	Others	Total
Receipts	263.7	65.0	328.7
Exports	248.8	63.0	311.8
Invisible	14.9	2.0	16.9
Payments	298.6	93.3	391.9
Imports	247.6	83.5	331.1
Invisible	51.0	9.8	60.8

Note: Exchange Statistics. September volumes are estimated.
Source: Finance Ministry.

Trade Talks with U.K. & Australia

An Anglo-Japanese Trade Talk started in London on October 1, 1956. The main problem in the London Talk is the conclusion of the trade goals between the two countries during the period between October, 1956—September, 1957. The Trade Agreement that ended by the end of September, 1956 estimated the total trade volume between Japan and the sterling area at £255 one way inclusive of the invisible trade. Japan's trade volume actually topped both ways and balanced unfavorably at about £35 million. If the pound settlements of other countries outside of the sterling area are included, Japan's adverse balance amounts to £63 million, Japan's pound holdings at the end of September was thus reduced to £34.5 million. In last Trade Talks, Britain demanded the increase in Japan's imports from the sterling area, but the position is reversed and Japan has to ask Britain to increase in purchases from Japan.

A trade talk between Japan and Australia will be opened in Canberra, the Australian Capital, in the early part of November, 1956. Japan is expected to ask Australia to remove its harsh discriminations enforced against Japanese goods with high tariffs and difficult trade procedures. The trade balance between Japan and Australia has been unfavorable to Japan these years. Japan's adverse balance in her trade with Australia resulted from the fact that Japan had to import the necessary amount of wool her wool industry requires and this comes almost entirely from Australia and the wool imported from Australia amounted annually to $120–180 million while her exports to Australia has always remained a trickle. The chief reasons why Japan's exports to Australia have been at a low level are:

(1) Australia's refusal to give preferential duties treatment to Japanese goods, on which about twice the customs duties over those on British goods have been imposed.

(2) The annual amounts of 36 items of Japanese goods imported into Australia have been restricted within 25% of all the imports from the non-dollar area (including Japan) in the period between July, 1953 and June, 1954.

3. TRADE WITH AUSTRALIA

(In $1,000)	Exports	Imports
1953	9,025	172,325
1954	28,208	117,111
1955	55,117	177,706
1956 (Jan.–June)	16,488	112,255

Source: Bank of Japan (Customs Statistics)

China-Japan Joint Communique on Trade

A joint communique on the trade between China and Japan was signed by the Japan Association for Promotion of International Trade and the Dietmen's League for Promotion of Sino-Japanese Trade on one hand and the Chinese Republic's Commission for Promotion of International Trade on the other on October 16, 1956. The gist of which follows:

(1) The Third Sino-Japanese Trade Agreement which has been temporarily renewed after it was expired on May 4, 1956 will be renewed till May 4, 1957.

(2) Both sides will make effort to exchange non-governmental trade representatives.

(3) Both sides will discuss concrete steps to open a direct business relationship between the exchange banks of the two countries until a settlement agreement is concluded between the central banks of the two nations.

Investment Outlook

Growth Stocks Marching

Growing New Industries:—Growth stocks, the exact equivalent to those in the United States, are on the march in the Japanese stock market. It is in these few years that growth stocks have come into the limelight among Japanese traders. Generally speaking, growth stocks are born out of shares of newly-rising industries, although there are some exceptions. Hence, the scrutiny of newly-rising industries in this country serves to show the groups of stocks which are now accepted as growth stocks in securities circles. New industries most of which have made their advents after the war, are synthetic textiles, organic-synthetic chemicals, petrochemical products, anti-biotics, photographic films, television instruments, telecasting, aircraft manufacturing, air transportation, bleached kraft pulp, electron industry, automation equipment and atomic energy machinery. Of the above-listed industries, some had already budded before the war's termination as in the case of organic-synthetic chemicals, photographic films, aircraft manufacture, air transportation and titanium metal, and several of them were about to be industrialized, but all of them were forced to wither under the impact of the Pacific War. The rise of such new industries is a universal tendency, and it appears that the worldwide technical progress marking the new industries is so remarkable as to herald the approach of a second industrial revolution. Thus, it is only natural that many of growth stocks are found among the shares of such new industries.

Major Growth Stocks:—Principal companies whose shares are counted among leading growth stocks are as follows:

1. "GROWTH-SHARE" COMPANIES

Companies	Established	Capital (million yen)
A) Synthetic textiles:		
Toyo Rayon	Jan., 1926	6,000
Mitsubishi Rayon	June, 1950	1,500
Kurashiki Rayon	June, 1926	1,500
Nippon Rayon	Mar., 1926	1,200
B) Organic-Synthetic chemicals:		
Showa Denko	June, 1939	2,200
Shinetsu Kagaku	Sept., 1926	480
Nippon Carbide Ind.	Oct., 1935	340
Ibigawa Electric Ind.	Nov., 1912	480
Shinnihon Chisso	Jan., 1906	1,200
Dainihon Celluloid	Sept., 1919	1,000
Mitsubishi Chemical Ind.	June, 1950	3,173
Japan Geon	Apr., 1950	500
Mitsui Chemical Ind.	Apr., 1941	1,600
Toa Gosei Chemical Ind.	Mar., 1942	1,200
Ube Industries	Mar., 1942	4,200
Nippon Synthetic Chem. Ind.	Mar., 1927	840
Nitto Chemical Ind.	Aug., 1937	2,120
Sumitomo Chemical	June, 1925	4,000
Toyo Koatsu Industries	Apr., 1933	3,600
Kanegafuchi Chemical Ind.	Sept., 1949	400
Sumitomo Bakelite	Jan., 1932	440
Sekisui Chemical Ind.	Mar., 1947	800
Electro-Chemical Ind.	May, 1915	2,040
C) Petrochemical Industry:		
Mitsui Petrochemical	July, 1955	250
Mitsubishi Yuka Kogyo	Apr., 1956	200
Nippon Petrochemical	Aug., 1955	300
Mitsubishi Oil	Feb., 1931	2,400
Showa Oil	Aug., 1942	2,550
Maruzen Oil	Nov., 1933	2,625
Toa Nenryo Kogyo	July, 1939	3,159
Furukawa Chemical Ind.	Oct., 1956	300
Nippon Gas Chemical Ind.	Apr., 1951	540
D) Anti-Biotics:		
Takeda Pharmaceutical	Jan., 1925	2,100
Sankyo	Mar., 1913	520
Kyowa Fermentation Ind.	July, 1949	1,399.2
E) Photographic Films:		
Fuji Photo Film	Jan., 1934	2,000
Konishiroku Photo Ind.	Dec., 1936	1,200
F) TV Equipments:		
Tokyo-Shibaura Electric	June, 1904	6,392
Nippon Columbia	Oct., 1910	300
Hitachi, Ltd.	Feb., 1920	10,000
Mitsubishi Electric Mfg.	Jan., 1921	3,600
Matsushita Electric Ind.	Dec., 1935	3,300
Hayakawa Electric	May, 1935	500
Yaou Electric	Jan., 1936	400
Sanyo Electric	Apr., 1950	1,500
G) Telecasting:		
Nippon Television Network	Oct., 1952	750
Tokyo Radio	May, 1951	750
H) Aircraft Manufacture & Repairing:		
Misubishi H. Industries Reorganized	Jan., 1950	5,600
Fuji Heavy Industries	July, 1953	8,305
Kawasaki Aircraft	Mar., 1950	1,752
Nippon Koku Seibi	July, 1952	350
I) Air Transportation:		
Japan Airways	Oct., 1953	5,733
Nippon Helicopter Transport	Dec., 1952	300
J) Titanium Metal:		
Osaka Titanium	Nov., 1950	600
Toho Titanium	Sept., 1948	431
Nippon Soda	Feb., 1920	1,508
K) Bleached Kraft Pulp (B.K.):		
Oji Paper	Aug., 1949	1,600
Jujo Paper	Aug., 1949	1,120
Sanyo Pulp	Nov., 1946	2,175
Nippon Pulp Ind.	June, 1937	1,600
L) Electron Industry:		
Nippon Electric	July, 1899	1,000
Oki Electric Ind.	Nov., 1891	1,080
Fuji Tsushinki Seizo	June, 1935	600
Tokyo Tsushin Kogyo	May, 1946	100
M) Automation Equipments:		
Yokogawa Electric Works	Dec., 1920	510
Hokushin Electric Works	Feb., 1949	264
Shimadzu Seisakusho	Sept., 1917	900
Fuji Electric Mfg.	Aug. 1923	1,500
N) Electron Industry:		
Hitachi, Ltd	See TV Equipments	
Furukawa Electric	June, 1893	3,000
Sumitomo Electric Ind.	Aug., 1911	2,000

Source: Compiled by *The Oriental Economist.*

Promising Issues:—Some of the more promising brands, among growth stocks covering newly-rising industries which have come into the limelight in recent years are Japan Geon, Sekisui Chemical, Mitsui Petrochemical, Nippon Petrochemical, Nippon Gas Chemical, Kyowa Fermentation Industry, Sanyo Electric, Nippon Television Network, Radio Tokyo, Nippon Koku Seibi, Japan Airways, Osaka Titanium, Tokyo Tsushin Kogyo, Yokogawa Electric Works and Hokushin Electric Works. Shares of some of older companies are also counted among growth stocks such as those of Toyo Rayon, Kurashiki Rayon, Nippon Rayon, Showa Denko, Toyo Koatsu Industries, Shin-Nihon Chisso, Dainippon Celluloid, Sumitomo Chemical, Fuji Photo Film, Tokyo-Shibaura Electric, Nippon Columbia, Hitachi, Ltd., Nippon Electric, Shimadzu Seisakusho, Furukawa Electric and Sumitomo Electric Industries. In the postwar industrial rehabilitation and expansion in this country, old and new companies are pitted against one another in fierce competition. Many old corporations with long traditions are holding their positions firm against newly-rising companies while some new concerns are endeavoring to encroach upon the markets already cultivated by older firms. One of the examples in this connection is the high popularity of the shares of Toyo Rayon in the securities market on the strength of the Company's success in the manufacture of a new synthetic fibre product (Amilan by the commercial name). Some other old companies are also supported by stock traders

2. PRICES & YIELDS OF GROWTH STOCKS

Shares	Share Prices (Yen)	Dividends (%)	Yields (%)
Toyo Rayon	191	25	6.5
Kurashiki Rayon	131	15	5.7
Nippon Rayon	127	20	7.9
Showa Denko	121	15	6.2
Toyo Koatsu	128	20	7.8
Shinnihon Chisso	102	15	7.4
Dainihon Celluloid	107	15	7.0
Sumitomo Chemical	140	15	5.4
Fuji Photo Film	180	20	5.6
Tokyo Shibaura	73	12	8.2
Nippon Columbia	81	16	9.8
Hitachi, Ltd.	94	15	8.0
Nippon Electric	88	15	8.5
Shimadzu Seisakusho	83	15	9.0
Furukawa Electric	96	12	6.3
Sumitomo Electric	79	12	7.6
Japan Geon	137	15	5.4
Sekisui Chemical	122	20	8.2
Nippon Gas Chemical	182	15	4.1
Kyowa Fermentation	126	20	7.9
Nippon TV Network*	1,313	10	3.9
Radio Tokyo	890	10	5.6
Japan Airways	507	—	—
Osaka Titanium	117	15	6.4
Tokyo Tsushin Kogyo	215	20	8.3
Yokogawa Electric	121	20	8.3
Hokushin Electric	103	12	5.8

Notes: ¥50 shares (*¥500 shares) with quotations are the closing prices at the Tokyo Securities Exchange as of October, 13, 1956. Dividend rates are for the latest terms.

Source: Compiled by *The Oriental Economist.*

because of their noteworthy achievements, including Toyo Koatsu Industries which successfully advanced to the production of urea in August, 1948 and Fuji Photo Film which took the initiative in the manufacture of incombustible and color films. Also noteworthy in this respect is the success of Nippon Gas Chemical in derivation and synthesization of methanol from natural gas (with the production started in 1952), the initiative taken by Nippon Television Network in undertaking telecasting with private capital for the first time in this country, and the opening of international air routes by Japan Airways in the face of many difficulties. The shares of all those companies are promising objects for future investment.

Yields of Growth Stocks:—Growth stocks are not particularly the objects for quick profits as their prices rise slowly and steadily over a long period. In other words, growth stocks are bound to rise over the ordinary average in the long run. Dividend rates and yields of some of the 70 growth stocks listed elsewhere are given in Table 2.

Because of the recent weakening of the stock market, yields of many growth stocks have been tending upward with some rising to as high as 8–9%. Such cases are generally exceptional, as they are mostly bought at low yields, at as low as 3–5% in some instances. In the low-yield group are Nippon Television Network (3.9%), Sumitomo Chemical (5.4%), Fuji Photo Film and Radio Tokyo (both 5.6%), Japan Geon (5.4%), Nippon Gas Chemical (4.1%), Hokushin Electric (5.8%) and Kurashiki Rayon (5.7%). On the list of six-percenters are Toyo Rayon (6.5%), Furukawa Electric (6.3%), Showa Denko (6.2%) and Osaka Titanium (6.4%).

Mitsui Bussan Merger

Mitsui Bussan shares have been growing extremely stiff. Standstill at around ¥210 until mid-August, they began to tend upward from late August and advanced to ¥220 in early September and further jumped to ¥240 by mid-month. Ever since, they have been adhering to the ¥220–230 mark. The strong tone of Mitsui Bussan shares thus has made more difficult the long-pending merger of that company with Daiichi Bussan. The two Mitsui-affiliated concerns were scheduled to be amalgamated as of July 1, this year. With the merger date already passed, the combination failed to materialize, although the merger agreement has continued to stand good. And it appears true that the two firms are considering the merger issue very seriously, as they have been carefully refraining from any action disturbing to the ultimate amalgamation. Mitsui Bussan is a specialist in metals, but has been extremely self-disciplinary in having contact with Fuji Iron & Steel with which Daiichi Bussan is closely related.

In prewar days, Mitsui Bussan is one of the largest coordinated commercial houses of international reputation in this country and was in a sense a foremost support of the Mitsui interests itself. After the war, the Mitsui plutocracy was dissolved and divided into numerous smaller units which mushroomed in uncontrolled operations. Thus, the return of those smaller Mitsui affiliates to the greater Mitsui Bussan has become the most cardinal problem. In the meantime, the Mitsui affiliated commercial houses took the lead by combining themselves into Mitsui Shoji, Ltd., which made a fresh start in July, 1954 to unify the front of the former Mitsubishi interests, the most formidable rival of the Mitsui organization. The Mitsubishi initiative has spurred the move of Mitsui affiliated firms to make haste for the eventual combination. The first concrete outcome was the start of Daiichi Bussan created through the amalgamation of the (first) Daiichi Bussan and Daiichi Tsusho. By this merger, Daiichi Bussan has grown so large that it might justifiably succeed to the name of Mitsui Bussan had not the very name "Mitsui Bussan" been taken previously by the amalgamation of Muromachi Bussan and Nitto Warehouse, another Mitsui firm, which was fast to take up the name of Mitsui Bussan. The (new) Mitsui Bussan, however, did not take part in the Daiichi Bussan–Muromachi Tsusho merger.

Due to the latest activation of foreign trade, the two companies have been faring pretty well with Daiichi Bussan registering sales well nearing ¥4,000 million for the half-year term ended September, 1956 (with the profit rate at 40% against the paid capital of ¥2,100 million) and the maintenance of the 16% dividend rate expected secured. Mitsui Bussan also is expected to register estimated sales of ¥27,000 million for the term ended September with the profit rate well reaching 45% and the dividend rate well secured at 20%. With fat profits, the two companies are not particularly hasty in plunging headlong into the merger issue, but are patiently waiting until time is fully ripe for the merger on favorable terms. Thus, the long-pending merger of the two Mitsui leaders is not expected to be realized before mid-1957 at the earliest.

Investment Opportunities in Japan.

DAIWA SECURITIES CO., LTD.

Fast growing industries and liberal rules for repatriation of principal and income make Japanese securities an attractive investment for Foreign investors.

HEAD OFFICE:
8, 2-chome Otemachi,
Chiyoda Ward,
Tokyo, Japan

CABLES: FUBILL
Tel: (23) 4331

Book Review

Getting and Spending

by Burton Crane. 225 pages. Harcourt, Brace & Co., Inc., N.Y., U.S.A. $4.95.

This is a good volume for a seasoned economist or for a novice. The former will find in it a chronological study of major economic transitions which have taken place in the United States since the 1920s or so peppered with pithy and ironical comments peculiar to the writer. The latter will be enabled to trace the economic course treaded by the U.S. in the past several decades without any particular pain or trouble as the book is written without any academic sophistication.

"Ninety-three per cent of the American people, if one may believe a Brookings Institution survey, are unsullied by classroom instruction in economics. Even if we add those who have learned something since leaving school, we must subtract those who have forgotten what little they once knew. It is an impressive body of ignorance. Since most political issues involve economics, it is also a dangerous body of ignorance for a republic," Mr. Crane says at the outset of the book. The reviewer is sure that this volume will undoubtedly serve to reduce at least part of this gigantic body of nescience.

The reviewer has read Mr. Crane's latest book with particular interest because of his long association with the writer. It was some 10 odd years ago in early 1947 that the reviewer, then Minister of Finance in the first Yoshida Cabinet, had the first opportunity of coming into contact with Mr. Burton Crane who was at that time Tokyo correspondent of the New York Times. The reviewer was surprised to find Mr. Crane admirably well informed of the Japanese economy, both prewar and postwar. The reviewer later found that his vast knowledge about Japanese economy (and politics as well) was quite justifiable in view of his long journalistic career in this country. As far as the reviewer understands, Mr. Crane was in close touch with Japanese economic and political circles as financial editor of the defunct Japan Advertiser, one of the oldest English-language newspapers in Japan founded by the late B.W. Fleischer, in early 1930s. Mr. Crane is not only an economist-journalist. He is a versatile man. The reviewer remembers Mr. Crane, still with the Japan Advertiser, appearing on the stage of a large variety house in Tokyo and singing a popular Japanese jazz song, and he stole the whole show.

The reviewer's association with Mr. Crane became closer after the former quit the Cabinet post because of the so-called "purge memorandum" issued by General Douglas MacArthur's Headquarters. Unbiased and equitable comments he made on the postwar economic administration in this country as a neutral observer have been valuable reference to the reviewer. And in the present volume, Mr. Crane is passing just as fair and impartial verdicts on economic administrations of the two big American political parties, past and present.

The writer says that this volume is "a primer of economics but a primer intended for intelligent adults who have lived in the world and can distinguish between manufacturing and retailing, almost at a glance." In the opinion of the reviewer, however, "Getting and Spending" is more than just a primer, but a highly instructive and informative reference material for economic professors in general. Japanese readers will take special interest in a section in which Mr. Crane makes a frank comment on the slip of Japanese coal production directly after the war due to the "liberation" of Korean "slave laborers" from Japanese collieries by GHQ. "Getting and Spending" is recommendable to readers of all strata interested in how the U.S. economic and financial machines have been running.

(*T. Ishibashi*)

The Postwar Student Struggle in Japan,

by Lawrence H. Battistini. The Gotham Foundation of New York in cooperation with The Charles E. Tuttle Co., Tokyo and Rutland, Vermont, 167 pp., ¥700.

Though the author says in his Preface that this book is "in the nature of a preliminary report for the general reader," it gives such a clear-cut historical, and sometimes critical, summary of this particular subject, often with quotations from various Japanese publications, that even the scholar will find it well worth reading. No other book, apart from newspaper and magazine articles on postwar Japan, have dealt with the problem of Japan's budding leaders so comprehensively and systematically.

In his book Battistini takes a sympathetic attitude towards the Japanese students who have always been in struggle, spiritually and economically. "The postwar student movement," he says, "has been unduly influenced and manipulated by outside organizations and groups, particularly the Japanese Communist Party," and "it has not been a movement of the students, by the students and for the students."

But he concludes his book with this cryptic statement: "During the Occupation, General MacArthur had time and again prophesied that Japan would become a 'bulwark of democracy in Asia.' This prophecy now seems to have been made from a peek into a rather empty crystal ball. Yet, one would be a pessimist not to recognize that there do exist in Japan forces and clements that stand for liberal democracy and are willing to fight for it."

This conclusion comes after his scholarly, 147-page description of the student movement, its prewar background, the postwar revival, the three phases that followed, and the Communist influence and Rightist activity among the students. (*K. Yabuki*)

National Income Statistics Sources and Methods *by Central Statistical Office. Her Majesty's Stationery Office, London, 1956. pp. viii, 387. 25s. net.*

Since 1941, the Central Statistical Office has made estimates of national income and expenditures in the United Kingdom. They have been published in the White Paper in outline and in the Blue Paper in detail every year, serving as a basis for the British government's budget compilation. In addition, they have made possible a rational explanation of the nation's budget in terms of the overall national economy. Students abroad, too, have directed their attention to these reports as the most valuable source for understanding general economic trends in the United Kingdom and the government policies adopted during and after the war.

The explanations now published in book form along with the British Government's Blue Paper on the national income clarify the various concepts underlying the policies, the methods of estimation, and the nature and characteristics of the sources on which the estimates have been based. With this detailed book at hand, fully explaining the methods and sources, readers of the official reports should gain a far more realistic understanding of them.

Furthermore, this book is an invaluable aid to foreign students because of its practical examples of national income compilation in England. It is particularly interesting to trace the course of the past fifteen years during which, as a result of the Central Statistical Office's effort, important source materials have been assembled and arranged for easy utilization. Sample surveys are made on the basis of various sources, and in some cases, bold deductions are drawn. In particular, many new surveys and inquiries are being conducted to provide a clear explanation of capital formation in the U.K. (*K.U.*)

1. Business Indices

Year & Month	Treasury Accounts with the Public (2) (Fiscal year) (In 100 million yen)	Bank of Japan Account (1) (In 100 million yen)		Monthly Report of All Banks (1) (In 100 million yen)		Tokyo Stock Prices (3)		
		Note issues	Loans	Deposits	Advances	Dow Jones Average (yen)	Turnovers (In million issues)	Interest Yield (%)
1947 av.	(-) 592	2,191	323	2,343	1,682	—	—	—
1948 ,,	(-) 213	3,552	519	5,053	3,813	—	141.6	—
1949 ,,	808	3,553	886	7,920	6,790	149.95	255.9	6.77
1950 ,,	(-) 419	4,220	1,145	10,485	9,947	101.87	512.1	9.53
1951 ,,	346	5,063	2,230	15,063	15,178	136.10	821.3	11.91
1952 ,,	24	5,764	2,232	22,238	21,280	245.67	2,002.6	9.85
1953 ,,	951	6,298	2,987	27,076	26,712	390.90	2,091.5	7.44
1954 ,,	(-) 1,900	6,220	2,433	30,366	29,119	340.79	1,238.5	9.44
1955 ,,	(-) 2,766	6,738	319	37,243	31,958	374.00	2,505.3	7.96
1955								
May	249	5,222	2,049	31,956	29,372	349.83	104.6	8.49
June	(-) 13	5,326	2,118	32,187	29,594	354.47	142.1	8.35
July	(-) 361	5,378	1,844	32,572	29,862	355.56	145.2	8.02
August	(-) 205	5,408	1,644	33,040	29,992	377.48	261.7	7.52
September	(-) 70	5,298	1,434	34,627	30,301	386.16	220.8	7.60
October	(-) 867	5,493	830	34,257	30,360	401.47	314.1	7.15
November	(-) 165	5,593	642	35,294	30,848	401.53	290.8	7.35
December	(-) 1,792	6,738	319	37,243	31,958	409.81	384.0	6.92
1956								
January	703	5,828	281	36,498	31,602	426.40	357.3	6.92
February	202	5,685	209	36,837	31,817	429.71	387.1	6.61
March	269	5,747	273	38,929	32,584	444.29	491.0	6.53
April	(-) 558	5,847	184	38,475	32,397	471.86	712.1	6.45
May	454	5,614	229	39,378	32,902	480.56	608.9	6.38
June	198	5,969	629	40,635	34,062	502.21	715.7	6.33
July	(-) 4	5,975	625	▲ 40,883	34,822	496.80	417.1	6.51
August	398	5,924	926	41,683	35,685	502.03	408.2	6.69
September	(-) 51	5,995	913	44,258	37,208	487.24	332.8	7.25
Ag. Previous Month (%)	—	(+) 1.2	(-) 1.4	(+) 6.2	(+) 4.3	(-) 2.9	(-) 20.9	(+) 8.4
Ag. Corr. Month in 1955 (%)	—	(+) 13.2	(-) 36.3	(+) 27.8	(+) 22.8	(+) 26.2	(+) 46.2	(-) 4.6

Year & Month	Tokyo Wholesale Price Indices (1) Total Average		Tokyo Retail Price Indices (1) Total Average July, 1952=100	Export & Import Price Indices (1) (July, 1949-June, 1950=100)		Cost of Living Tokyo (4) (Nov., 1946=100)	Consumer Price Indices (1951=100) (5)	
	1952=100	1934-1936 =100		Exports	Imports		Tokyo	All Cities
1947 av.	—	4,815.2	—	—	—	236.1	42.7	38.2
1948 ,,	—	12,792.6	—	—	—	472.9	74.0	69.9
1949 ,,	—	20,876.4	—	—	—	607.9	92.7	92.2
1950 ,,	—	24,680.7	—	115.6	107.8	541.1	86.1	85.9
1951 ,,	—	34,253.1	—	165.5	136.3	637.4	100.0	100.0
1952 ,,	100.0	34,921.5	100.0	134.9	122.1	681.9	104.2	105.0
1953 ,,	100.4	35,157.3	103.5	127.9	110.1	782.1	112.0	111.9
1954 ,,	99.7	34,969.0	106.9	123.0	105.7	850.2	118.1	119.1
1955 ,,	97.9	34,301.9	102.4	123.5	106.6	874.7	116.4	117.8
1955								
September	97.7	34,228.9	102.3	123.8	105.6	832.9	115.6	117.4
October	98.0	34,334.0	102.8	123.3	104.9	829.7	117.5	119.0
November	97.8	34,263.9	101.3	125.4	106.2	832.1	115.5	115.9
December	97.9	34,299.0	99.8	126.1	105.6	832.9	115.2	115.7
1956								
January	98.6	34,539.6	99.8	127.1	106.1	839.1	115.5	116.4
February	99.3	34,789.5	100.7	127.5	105.2	835.2	116.8	117.4
March	99.6	34,894.6	102.3	128.1	103.7	835.2	118.1	118.5
April	100.2	35,104.8	102.6	127.8	103.8	838.3	118.4	119.1
May	101.3	35,490.2	101.6	128.9	104.4	830.5	116.6	118.1
June	101.4	35,525.2	103.1	128.4	104.4	836.8	118.7	118.8
July	101.6	35,595.3	102.9	127.9	104.0	838.3	115.0	117.2
August	102.8	36,015.7	103.3	128.3	103.9	▲ 832.1	116.5	118.4
September	104.7	36,681.3	102.7	..	..	▲ 820.3	117.2	..
October	..	..	..	..	..	828.2	..	..
Ag. Previous Month (%)	(+) 1.8	(+) 1.8	(-) 0.6	(+) 0.3	(-) 0.1	(+) 1.0	(+) 0.6	(+) 1.0
Ag. Corr. Month in 1955 (%)	(+) 7.2	(+) 7.2	(+) 0.4	(+) 3.5	(-) 3.3	(+) 1.0	(+) 1.5	(+) 0.5

Sources: (1) Bank of Japan.
(2) Ministry of Finance.
(3) Tokyo Securities Exchange.
(4) The Oriental Economist.
(5) Statistics Bureau, Prime Minister's Office.

Note: ▲ Revised at source.

2. Business Indices

Year & Month	Consumption Level (1) (1934-1936=100)			Manufacturing Industry Wages (2) (1934-6=100)		Employment Indices for Mfg. Industries (2) (1947=100)	Number of Unemployed (3) (In 10,000)	E.P.B. Indices (1) (1934-6=100)		Manufacturing Industries Total (1950=100)	
	Total	Urban	Non-Urban	Nominal	Real			Business Activity Indices	Mining Manufacturing	Piled-up Materials Indices (4)	Piled-up Imported Materials Indices (4)
1947	—	55.4	—	1,580	32.0	100.0	..	46.2	37.4	—	—
1948	—	61.2	—	4,381	48.6	101.0	24	61.8	54.6	—	—
1949	—	65.0	—	7,516	66.3	102.0	38	76.7	71.0	—	—
1950	—	69.8	—	9,135	85.4	97.1	44	88.0	83.6	100.0	100.0
1951	—	68.9	—	11,708	92.1	104.5	39	119.4	114.4	130.4	136.5
1952	94.8	80.2	116.6	13,516	102.3	107.7	47	131.8	126.4	140.7	145.4
1953	105.6	94.0	123.0	15,322	107.3	112.7	45	161.2	155.1	164.7	164.7
1954	111.0	100.0	127.5	16,307	108.0	118.2	58	173.5	166.9	172.6	165.7
1955	115.1	106.5	128.1	16,759	114.5	116.6	68	187.9	180.7	188.1	155.3
1955											
August	108.7	95.7	128.2	15,599	108.9	116.8	71	190.3	183.7	..	..
September	108.8	102.4	118.4	14,983	106.4	116.7	67	194.7	187.8	199.7	158.1
October	113.1	104.7	125.7	15,036	104.7	116.6	72	193.2	185.8	197.0	154.3
November	120.2	111.0	133.9	15,541	110.7	116.6	57	197.2	189.7	200.0	158.1
December	175.4	167.3	187.5	27,784	185.8	116.6	57	207.1	199.1	210.7	161.4
1956											
January	117.0	102.3	139.0	15,914	111.1	116.2	68	189.4	181.6	189.8	160.7
February	116.8	101.0	140.4	15,598	109.9	116.2	75	198.6	191.0	204.1	157.5
March	▲ 116.6	▲ 104.3	135.1	15,478	107.4	117.7	106	208.1	200.1	216.6	161.1
April	116.5	106.1	132.2	15,925	110.5	121.7	70	219.4	211.2	217.3	169.6
May	▲ 105.3	99.8	▲ 113.6	15,623	107.6	121.9	62	220.4	212.2	220.9	181.5
June	106.8	105.8	108.4	20,435	134.6	122.1	57	223.3	215.4	220.1	195.5
July	..	123.3	..	22,214	152.6	122.6	57	▲ 227.5	▲ 219.3	▲ 227.2	▲ 198.8
August	..	98.1	..	16,647	116.6	122.9	57	226.9	218.9	231.0	208.3
Ag. Previous Month (%)	(+) 1.4	(−) 20.5	(−) 4.6	(−) 25.1	(+) 13.4	(+) 0.2	0	(−) 0.3	(−) 0.2	(+) 1.7	(+) 4.8
Ag. Corr. Month in 1955 (%)	(+) 3.5	(+) 2.5	(+) 2.2	(+) 6.7	(+) 12.5	(+) 5.2	(−) 16.9	(+) 19.2	(+) 19.2	(+) 19.4	(+) 28.3

Year & Month	Producer's Stock Indices Mining Mfg. Total (4) 1950=100	Seller's Stock Indices (4) 1950=100	Car-loadings Indices (5) 1941=100	Department Store Sales (4) 1941=100	Foreign Trade (6) (In $1,000) Exports	Imports	Balance	Foreign Trade Volume Indices (1934-6=100) (6) Exports	Imports	Foreign Exchange (7) (In $1,000) Received	Paid	Balance
1947	—	—	72.1	1,188.6	173,568	526,130	△ 352,562	—	—	—	—	—
1948	—	—	82.3	3,036.1	258,271	684,220	△ 425,949	—	—	—	—	—
1949	—	—	86.9	5,499.8	509,700	904,845	△ 395,145	—	—	—	—	—
1950	100.0	100.0	87.4	7,690.2	820,055	974,339	△ 154,284	78.1	45.0	1,008,310	677,207	331,102
1951	98.7	83.4	106.2	11,943.3	1,354,520	1,995,039	△ 640,520	87.1	66.8	2,240,580	1,909,277	331,303
1952	121.3	85.5	103.3	15,108.9	1,272,915	2,028,193	△ 755,278	92.4	73.6	2,239,127	1,924,815	314,312
1953	120.2	96.1	105.7	19,818.1	1,274,843	2,409,638	△1,134,795	100.0	100.0	2,120,037	2,313,716	△ 193,679
1954	155.5	109.2	105.6	22,193.7	1,629,336	2,399,404	△ 770,168	133.3	103.6	2,309,264	2,209,296	99,967
1955	144.4	114.1	105.9	23,668.9	2,010,600	2,471,430	△ 460,831	174.1	108.9	2,667,645	2,173,846	493,798
1955												
August	148.1	126.7	107.9	19,050.5	175,985	206,848	△ 30,863	182.8	114.0	234,989	187,006	47,983
September	141.8	123.2	110.5	16,660.5	176,246	180,389	△ 4,142	185.1	94.7	257,685	175,727	81,958
October	140.0	121.7	109.7	23,237.0	188,903	201,597	△ 12,694	195.8	104.8	240,394	171,734	68,660
November	138.5	117.3	111.6	26,135.9	168,303	223,988	△ 55,685	174.4	117.4	236,594	187,899	48,694
December	131.7	112.1	109.2	54,881.1	249,180	233,344	15,835	250.9	123.0	268,769	207,506	61,263
1956												
January	133.9	113.7	107.8	19,503.4	149,781	218,555	△ 68,774	153.2	115.6	238,341	208,812	29,528
February	133.1	112.5	113.3	19,444.2	185,704	220,380	△ 34,676	191.1	115.9	254,216	210,348	43,868
March	126.9	113.8	101.9	27,180.0	223,874	253,365	△ 29,492	222.4	133.6	256,733	206,487	50,246
April	127.5	115.6	109.7	26,251.0	195,255	255,262	△ 60,006	201.4	133.5	275,650	223,647	52,002
May	130.4	123.8	111.2	23,580.9	194,961	271,747	△ 76,786	195.1	142.4	245,458	217,004	28,454
June	135.0	126.0	115.4	24,226.7	210,742	280,403	△ 69,661	210.9	144.6	295,161	253,225	41,935
July	136.9	132.2	116.5	31,697.4	197,783	276,447	△ 78,624	▲ 196.0	142.6	▲ 274,461	▲ 286,437	▲(−)11,976
August	134.5	..	118.3	..	215,842	289,392	△ 73,568	212.3	147.4	282,587	283,071	(−) 484
Ag. Previous Month (%)	(−) 1.8	(+) 4.9	(−) 18.2	(+) 30.8	(−) 5.0	(−) 10.6	—	(+) 8.3	(+) 3.4	(+) 3.0	(−) 0.2	—
Ag. Corr. Month in 1955 (%)	(−) 9.2	(+) 15.7	(−) 11.7	(+) 66.4	(+) 16.4	(+) 43.6	—	(+) 16.1	(+) 29.3	(+) 25.9	(+) 42.6	—

Notes: △ in Foreign Trade means excess in export, while △ in Foreign Exchange means excess in payments.
▲ Revised at source.

Sources: (1) Economic Planning Board
(2) Ministry of Labor
(3) Statistics Bureau, Prime Minister's Office
(4) MITI
(5) Ministry of Transportation
(6) Ministry of Finance
(7) Bank of Japan

3. Treasury Accounts with the Public

(In ¥100,000,000) (Ministry of Finance.)

Items	Fiscal 1955		Fiscal 1956								1955
	1956 Jan.-Mar.	Total	April	May	June	Apr.–June	July	August	Sept.	July–Sept.	July–Sept.
General Account											
Revenue											
Taxes	2,078	7,733	536	562	898	1,996	▲ 741	▲ 779	697	2,217	1,925
Monopoly	258	964	94	124	117	335	▲ 68	130	56	254	244
Others	93	378	70	65	29	164	▲ 23	45	30	98	72
Total	2,429	9,075	700	751	1,044	2,495	▲ 832	▲ 954	783	2,569	2,241
Expenditure											
Defense Expenditure	125	601	92	18	7	117	83	14	11	108	150
Defense Board	180	688	154	49	62	265	53	▲ 58	46	157	131
Public Works Expenditure	259	1,316	180	93	60	333	66	▲ 102	79	247	319
Local Finance Equalization Grants	252	1,825	374	0	374	748	36	223	202	461	386
Compulsory Education Expenditure	170	742	40	139	—	179	121	45	—	166	160
Others	746	3,288	456	236	267	959	▲ 223	▲ 238	242	703	706
Total	1,732	8,460	1,296	535	770	2,601	▲ 582	▲ 680	580	1,842	1,852
Balance	697	615	△ 596	216	274	△ 106	▲ 250	▲ 274	203	727	389
Special Accounts and Others											
Foodstuff Control	331	△ 1,068	384	238	△ 43	579	△ ▲ 299	△ 7	△ 93	△ 399	△ 532
Trust Fund Bureau	113	△ 305	△ 66	△ 113	△ 12	△ 200	△ 66	△ ▲ 2	△ 16	△ 84	6
Industrial Investment	△ 30	△ 22	—	20	8	28	△ 17	—	60	43	31
National Railways and Nippon Telegraph & Tel. Public Corporation	169	136	42	132	△ 24	150	△ 34	▲ 35	△ 13	△ 12	39
Finance Corporation	△ 200	△ 624	△ 50	△ 50	△ 56	△ 156	△ 53	△ 49	△ 73	△ 175	△ 81
Others	313	108	△ 147	38	125	△ 11	▲ 68	▲ 154	43	265	125
Total	696	△ 1,775	136	265	△ 11	390	△ ▲ 401	▲ 131	△ 92	△ 362	△ 462
Designated Deposits	—	—	—	—	—	—	—	—	—	—	—
Adjustment Items	129	93	45	△ 42	△ 98	△ 95	▲ 50	△ ▲ 13	△ 38	△ 1	△ 51
Foreign Exchange	△ 348	△ 1,699	△ 143	15	33	△ 95	97	6	△ 124	△ 21	△ 512
Balance	1,174	△ 2,766	△ 558	454	198	94	△ 4	398	△ 51	343	△ 636

4. Monthly Report of All Banks

(June, 1956: Excluding Bank of Japan)

(In million yen) (Bank of Japan)

	All Banks						Trust Account (17)
	Debenture Issuing Banks (2)	City Banks (13)	Local Banks (65)	Trust Banks (6)	Total (86)	Leftover from Pre. mo.	
Deposits							
Current Deposits	10,572	613,505	122,497	35,104	781,680	563,443	—
Ordinary Deposits	6,414	506,251	307,876	15,180	835,722	698,871	—
Deposits at Notice	17,599	179,565	40,652	19,478	257,295	218,894	—
Time Deposits	11,061	1,114,215	629,578	29,875	1,784,731	1,430,392	—
Special Deposits	2,162	112,344	32,576	5,258	152,342	110,731	—
Instalment Savings	—	35,591	92,852	254	128,698	118,176	—
Deposits for Tax Payment	351	6,038	2,427	349	9,165	10,401	—
Deposits of Gov't and Gov't Agencies	1,980	126,133	—	—	138,113	105,588	* 165,063
Other Deposits	—	597	—	—	597	774	** 146,381
Total	50,141	2,704,243	1,228,460	105,501	4,088,347	3,257,274	—
Borrowed Money	1,214	115,641	1,141	1,144	119,141	198,120	—
Borrowings for Settlement of Import Bills	—	20,808	—	—	92,808	32,413	—
Call Money	12	80,325	7,419	8,592	96,348	64,826	—
Cash and Deposits							
Cash in Hand	6,829	469,507	75,825	21,489	573,651	386,375	2,594
Deposits with Domestic Money Organs	190	7,005	19,526	1,210	27,934	37,944	7,886
Total	7,019	476,512	95,351	22,699	601,585	424,319	10,480
Call Loans	2,457	11,726	32,082	5,048	51,313	20,856	22,953
Securities							
Government Bonds	2,916	34,865	13,356	718	51,856	46,074	187
Local Government Bonds	1,968	24,983	20,446	310	47,709	27,352	940
Foreign Bonds	184	3,190	—	—	—	—	9
Corporate Debentures	10,912	220,412	171,106	5,458	407,890	330,400	3,362
Stocks	9,164	29,245	19,620	3,081	81,111	47,231	2,193
Other Bonds	153	275	1,459	399	2,287	708	19
Total	25,298	332,972	225,989	9,968	594,229	454,614	6,743
Advance							
Discount Bills	12,510	798,168	273,779	58,038	1,142,497	1,006,602	23,177
Bank Acceptance Bills	—	802	10,681	109	11,594	18,894	—
Commercial Bills	12,510	796,296	261,784	57,922	1,128,513	985,498	—
Documentary Bills	—	1,069	1,312	7	2,389	2,208	—
Advances against Guarantee	328,535	1,210,729	700,671	36,273	2,276,209	1,926,639	256,069
Loans on Bills	58,965	1,161,893	652,417	35,702	1,908,979	1,615,990	98,923
Loans on Deeds	269,472	17,570	37,203	364	324,611	289,640	48,655
Overdrafts	97	31,265	11,049	206	42,619	21,008	—
Loans for Settlement of Import Bills	1,237	60,536	877	932	63,583	53,049	—
Total	342,284	2,069,433	843,360	95,244	3,482,289	2,986,291	279,069

Note: △ Means excess of payment. * Money in trust total. ** Loan trust. ▲ Revised at source.

5. Bank of Japan Ten-day Report

(In million yen) (Bank of Japan)

	1956			1955
	Sept. 10	Sept. 20	Sept. 30	Sept. 30
LIABILITIES				
Bank Notes Issued	548,989	539,198	599,520	529,846
Bankers' Deposits	6,772	8,662	6,274	2,238
Government Deposits	37,901	39,357	51,850	65,271
Other Deposits	25,119	24,446	23,526	49,630
Inter-Bank Remittance Deposits	—	—	—	22,361
Reserves Against Contingencies	26,908	26,908	28,098	25,615
Other Liabilities	38,163	38,560	39,733	40,145
Capital Stock	100	100	100	100
Reserve Funds	14,286	14,286	14,286	11,970
Total	698,241	691,519	763,390	747,180
ASSETS				
Bullion	447	447	447	447
Cash	3,451	3,665	3,557	5,447
Discounted Bills	16,037	18,074	20,496	42,221
Loans	69,900	45,692	70,823	101,235
Foreign Exchange Loans	6,243	5,996	5,762	16,435
Advances to Government	—	—	—	1,250
Government Bonds	383,541	396,087	434,751	393,214
Foreign Ex. Accounts	177,930	178,067	178,114	114,498
Inter-Bank Remittance	—	—	—	22,791
Agencies Accounts	9,176	12,130	17,874	17,218
Other Assets	31,511	31,358	31,552	32,419
Total	698,241	691,519	763,390	747,180

6. Outstanding Loans to Industries by All Banks

(In million yen) (Bank of Japan)

End of Month	June 1956			July 1956		
	Loans Total	For Equipments	For Co. with less ¥100 Billion	Loans Total	For Equipments	For Co. with less ¥100 Billion
Manufacturing total	1,592,708	133,596	491,302	1,620,966	139,691	502,944
Foodstuffs	167,101	7,196	87,232	165,214	7,353	87,396
Textiles	358,765	22,135	133,093	371,205	24,861	138,796
Wood and Wood Products	63,391	1,259	53,680	64,818	1,272	54,601
Paper & Related Products	89,098	9,402	16,929	91,274	10,193	17,106
Printing & Publishing	33,316	3,761	12,456	34,102	3,822	12,438
Chemicals	186,588	21,524	28,943	190,763	22,550	29,429
Glass & Ceramics	52,285	10,000	12,546	54,490	10,267	12,813
Primary Metals	216,198	31,974	22,931	215,248	31,869	23,489
Machinery	73,856	3,186	32,822	76,604	3,489	34,107
Electric Machinery & Tools	106,353	8,464	13,760	108,847	8,699	14,135
Trans. Machinery & Tools	104,961	7,686	15,908	105,566	7,920	15,986
Agriculture	12,221	455	11,871	11,443	470	11,092
Forestry & Hunting	8,684	47	7,418	8,736	50	7,426
Fishery	46,269	13,972	16,867	48,637	14,477	17,001
Mining	89,794	17,624	12,316	88,579	17,307	12,196
Metal Mining	17,896	4,509	680	15,722	4,413	689
Coal Mining	62,989	11,362	9,059	63,324	11,038	8,870
Construction	69,214	755	30,705	71,122	762	32,182
Wholesale & Retail	1,041,997	8,918	553,684	1,072,934	9,827	564,728
Wholesale	948,507	4,699	485,569	978,084	5,183	495,220
Retail	93,490	4,219	68,115	94,850	4,643	69,507
Finance Insurance	51,451	77	9,908	53,403	83	9,323
Real Estate	17,716	7,082	7,843	18,075	7,569	7,844
Trans. & Public Utilities	278,458	199,609	18,299	284,973	203,176	18,835
Railways	22,627	11,884	206	23,972	12,663	200
Shipping	90,372	63,499	6,075	90,113	63,262	6,115
Electric	107,790	106,156	31	110,097	108,171	33
Services	57,258	13,283	41,276	59,596	14,129	42,561
Local Public Corporation	60,989	19,786	—	61,772	20,581	—
Others	38,507	1,706	38,299	39,427	1,823	39,221
Total	3,265,272	416,916	1,239,792	3,439,670	429,951	1,265,358

7. Bank of Japan Official Interest Rates

(In sen per diem per ¥100)**

Revised on	Commercial Bills	Against Gov't Bonds *	Advance Against Securities other than Gov't Bonds	Overdraft
1932: Aug. 18	1.2	1.3	1.4	1.6
1933: July 3	1.0	1.1	1.2	1.4
1936: Apr. 7	0.9	1.0	1.1	1.3
1937: July 15	0.9	0.9	1.1	1.2
Sept. 21	0.9	0.9	1.1	1.1
1946: Apr. 9	0.9	1.0	1.1	1.3
Oct. 14	1.0	1.1	1.2	1.4
1948: Apr. 25	1.2	1.3	1.4	1.7
July 5	1.4	1.5	1.6	1.9
1949: Apr. 1	△ 1.4	1.5	1.6	1.9
June 2	1.4	1.5	1.6	1.9
1951: Oct. 1	1.6	1.7	1.8	2.1
1955: Aug. 10	2.0	2.1	2.2	2.3

8. Interest Rates for Advances by Member Banks

(In sen per diem per ¥100) (Tokyo Banking Assoc.)

Year & Month	Loans on Deeds		Loans on Bills		Overdraft		Discount Bills	
	High	Low	High	Low	High	Low	High	Low
1956:								
Jan.	3.30	2.60	3.20	1.80	3.00	2.00	3.20	2.00
Feb.	3.30	2.60	3.20	1.80	3.00	2.00	3.20	2.00
Mar.	3.20	2.60	3.20	1.80	3.00	2.00	3.20	2.00
Apr.	3.20	2.60	3.20	1.80	3.00	2.00	3.20	2.00
May	3.20	2.40	3.10	1.80	3.00	1.90	3.00	2.00
June	3.20	2.40	3.10	1.80	3.00	1.90	3.00	1.90
July	3.20	2.40	3.20	1.80	3.00	1.80	3.00	1.90
Aug.	3.20	2.40	3.20	1.80	3.00	1.80	3.00	1.90
1955:								
Aug.	3.30	2.50	3.30	1.80	3.00	2.00	3.30	2.00

9. Tokyo-Osaka Call-Money and Its Rates

(Bank of Japan)

Year & Month	Tokyo			Osaka		
	Rate		Balance at the End of the Month (million yen)	Rate		Balance at the End of the Month (million yen)
	Over-Night (sen)	Unconditional (sen)		Over-Night (sen)	Unconditional (sen)	
1956: Jan.	1.00	1.60	43,649	1.00	1.50	16,112
Feb.	1.00	1.40	59,316	1.00	1.50	23,571
Mar.	1.00	1.65	42,682	1.00	1.65	17,283
Apr.	1.00	1.30	56,953	1.00	1.40	24,046
May	1.00	1.55	53,476	1.00	1.60	24,024
June	1.00	1.70	47,234	1.00	1.70	19,392
July	..	..	53,665	..	..	20,382
Aug.	..	..	59,175	..	..	21,625

10. Interest Rates of City Bank Deposits

(In sen per diem per ¥100) (Bank of Japan)

Enforced on	Time Deposits (%)			Current Deposits	Ordinary Deposits	Deposits at Call	Other Deposit
	Three Months	Six Months	One Year				
1940: Feb. A	—	—	—	—	—	—	—
1940: Feb. B	—	3.4	—	—	—	—	—
1944: July	—	3.3	—	0	0.5	0.6	0.6
1947: June	3.3	3.5	3.6	0	0.5	0.6	0.6
1948: Jan.	3.7	4.0	4.2	0	0.5	0.6	0.6
July	3.8	4.2	4.4	0	0.5	0.6	0.6
1949: Aug.	3.8	4.4	4.7	0	0.5	0.6	0.6
1951: Jan.	3.8	4.6	5.0	0	0.5	0.6	0.6
May	3.8	5.0	5.5	0	0.5	0.6	0.6
Sept.	4.0	5.0	6.0	0	0.6	0.7	0.7

Notes: △ includes foreign trade bills. * includes stamp bills, foreign trade bills, etc. from Oct. 14, 1946; and from June 1949 includes financial and other preferential debentures. ** HOW TO COMPUTE PER DIEM INTEREST:—In addition to the usual annual rate in percentage, computing interest by per diem rates is widely in use in Japan. This rate is expressed in sen (1/100 yen) as interest per day on ¥100 of principal. To find the usual annual rate from the per diem rate multiply the latter by 365. For example, a diem rate of 1.0 sen on a principal ¥100 gives an interest of 365 sen or ¥3.65 per year or 3.65% per annum.

11. Bank Clearings

(In billion yen) (Tokyo Clearing House)

Year & Month	All Clearing Houses		Tokyo		Osaka	
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
	(1,000)		(1,000)		(1,000)	
1956: Jan. ..	9,120	2,556	3,641	1,167	1,764	608
Feb.	10,784	2,776	4,301	1,293	2,180	648
Mar. ..	11,791	3,286	4,738	1,501	2,377	790
Apr. ..	11,438	3,065	4,616	1,416	2,322	723
May	12,099	3,040	4,863	1,405	2,454	715
June	13,049	3,215	5,179	1,494	2,598	768
July	12,413	3,232	5,080	1,493	2,465	770
Aug. ..	12,134	3,374	4,818	1,543	2,480	810
1955: Aug. ..	10,986	2,711	4,312	1,239	2,226	631

12. Dishonored Bills

(In million yen) (Tokyo Clearing House)

Of which, Transactions with Bank Suspended								
Tokyo		Osaka		All Clearing Houses		Tokyo	
No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
34	2,437	25	1,932	5,554	309	1,625	108
43	3,251	31	2,043	6,267	449	1,889	189
48	3,649	34	2,750	6,877	453	2,257	161
45	3,256	33	2,142	6,464	430	2,134	148
49	3,567	33	2,130	6,600	413	2,186	165
44	3,496	29	2,098	5,911	362	1,898	133
45	3,268	31	2,258	6,069	364	1,840	126
45	3,226	34	2,153	6,148	366	1,904	134
46	4,067	37	2,742	7,181	463	2,051	141

13. Postal Savings & Postal Transfer Savings

(In million yen) (Ministry of Postal Services)

End of Month	Postal Savings			Postal Transfer Savings	Total
	Receipts	Payments	Balance		
1956: Mar. ..	42,636	46,090	526,334	6,046	532,380
Apr. ..	50,452	48,757	528,029	5,325	533,354
May	53,800	46,191	535,639	5,789	541,428
June	52,269	38,744	549,165	5,316	554,481
△July ..	60,879	42,301	571,545	6,749	574,294
△Aug. ..	47,863	40,565	574,259	8,215	582,474
△Sept. ..	45,618	39,893	579,984	10,692	590,676
1955: Sept. ..	40,151	37,443	479,439	7,583	487,022

14. Average Yields of Debentures

(Industrial Bank of Japan)

Month	Gov't Bonds	Financial Debenture		Industrial Debenture
		Interest Bearing	Discount	
	%	%	%	%
1956: Jan.	—	7.918	6.643	8.256
Feb.	6.362	7.918	6.643	8.247
Mar. ..	6.324	7.918	6.643	8.299
Apr.	6.331	7.411	6.224	7.701
May	—	7.411	6.224	▲ 7.674
June	6.324	7.411	6.224	▲ 7.644
July	—	7.411	6.224	—
Aug. ..	6.362	7.204	6.224	7.410

15. Tokyo Wholesale Price Indices

(1952 as 100) (Bank of Japan)

Year & Month	Total Average	Agricultural Products	Textiles	Fuels	Metal & Machinery	Building Materials	Chemical Products	Sundries	By Uses		
									Producer's Goods	Capital Goods	Consumer's Goods
1955 Average	97.9	..	86.3	100.9	91.8	113.7	82.8	93.5	95.1	101.3	101.6
1956: June	101.4	..	89.3	102.4	107.6	118.7	86.7	91.2	103.4	112.9	98.7
July	101.5	..	86.2	102.9	109.6	121.9	86.5	92.6	103.8	115.1	98.5
August	102.8	104.1	85.0	103.4	113.5	128.5	86.0	92.7	105.8	119.4	98.7
September	104.7	104.3	86.3	104.2	119.9	133.3	86.4	92.7	108.0	124.5	100.4
1955: September	97.7	..	86.2	99.3	93.4	113.0	82.8	94.5	95.4	102.0	100.8

16. Tokyo Wholesale Price Indices

(1934-36=100) (Bank of Japan)

Year & Month	Average	Agricultural Products	Textiles	Fuel	Metals & Machinery	Building Materials	Chemical Products	Miscellaneous
1954 Average	34,929.6	..	37,446.9	31,031.0	32,259.6	43,844.6	25,980.3	24,751.9
1955 „	34,293.1	..	35,551.3	32,356.2	33,240.5	40,424.1	25,208.6	24,600.6
1956: April	35,104.8	..	36,468.2	32,415.0	37,958.1	40,762.0	26,409.3	23,837.6
May	35,940.2	..	37,663.2	32,863.9	38,429.0	41,366.6	26,439.7	24,021.8
June	35,525.2	..	36,797.9	32,831.8	38,972.3	42,220.3	26,409.3	23,995.4
July	35,560.2	..	35,520.4	32,992.1	39,696.7	43,358.5	26,348.3	24,337.5
August	36,015.7	32,878.7	35,026.0	33,152.4	41,109.2	45,706.0	26,196.0	24,930.1
September	26,681.3	32,941.9	35,561.6	33,401.9	43,437.3	47,342.2	26,317.9	24,390.1
1955: September	34,228.9	..	35,520.4	31,837.9	33,829.1	40,192.9	25,221.3	24,863.7

17. Tokyo Retail Price Indices

(1952=100) (Bank of Japan)

Year & Month	Total Average	Agricultural Products	Textile Products	Metal Products	Wood Products	Fuel	Miscellaneous	*Total Average	Total Average (1934-6=100)
1956: April	102.6	111.6	85.6	97.7	102.5	109.4	94.0	98.3	30,829.7
May	101.6	108.8	88.6	98.2	102.3	108.3	93.5	98.7	30,529.2
June	103.1	111.5	89.0	97.6	101.9	106.9	93.7	98.7	30,979.9
July	102.9	111.1	88.6	98.2	101.9	106.8	93.9	98.6	30,919.8
August	103.3	111.9	88.4	98.4	101.7	106.8	93.9	98.6	30,040.0
September	102.7	110.3	88.9	99.2	101.7	109.0	94.1	98.9	30,859.7
1955: September	102.3	110.1	89.7	95.4	101.2	110.0	93.2	100.5	30,739.5

Note: * except perishable vegetables. △ Provisional figures. ▲ Revised at source.

18. Weekly Wholesale Price Indices

(June 18-24, 1950=100) (Economic Planning Board)

	Average	Food-stuffs	Textiles	Fuel	Metals	Machi-nery	Building Materials	Chemicals	Miscella-neous	Consumer Goods	Producer Goods
1956: Aug. 4	162.9	135.9	90.5	163.6	309.2	185.0	223.1	105.4	134.7	133.4	178.9
11	165.2	139.7	92.0	164.0	317.6	185.9	223.0	105.5	134.1	136.4	180.9
18	166.3	141.7	91.7	164.8	321.2	185.9	224.1	105.4	133.8	137.9	181.8
25	168.8	150.0	91.2	164.8	325.6	186.8	224.1	105.4	133.6	143.6	182.6
Sept. 1	169.2	149.6	91.2	164.6	328.0	187.0	224.4	106.3	133.6	143.3	183.3
8	169.4	146.0	91.9	164.8	334.0	188.8	225.0	106.1	133.5	141.2	184.8
15	170.9	149.4	92.1	164.8	338.5	188.7	225.0	106.1	133.8	143.4	185.8
22	171.0	148.9	92.4	165.1	338.3	189.1	226.6	106.1	133.8	143.6	185.9
29	170.8	150.4	92.2	165.1	333.3	189.6	228.9	106.0	133.7	144.6	185.1
Oct. 6	171.1	151.4	92.0	165.3	332.9	189.7	229.2	106.1	133.7	145.4	185.0

19. Commodity Quotations & Turnovers

Tokyo Cotton Yarn (20, single, per lb.)

Year & Month	Current Month (In yen) High	Low	End of Month	Futures (6 months) (In yen) High	Low	End of Month	Turnover (In 100 *mai*)
1956: February	192.4	184.1	186.0	179.9	172.5	175.2	78
March	198.1	185.8	195.5	184.9	172.0	184.9	91
April	217.0	192.8	217.0	205.2	181.3	205.2	77
May	222.6	198.5	206.5	210.0	178.3	181.9	100
June	212.9	192.6	212.9	190.0	178.9	181.5	59
July	201.0	182.7	182.7	180.9	164.5	164.5	83
August	192.2	175.0	182.4	177.5	166.1	174.5	92
September	193.9	187.2	189.3	184.0	171.0	184.0	76

Osaka Cotton Yarn (20, single, per lb.)

Year & Month	Current Month (In yen) High	Low	End of Month	Futures (6 months) (In yen) High	Low	End of Month	Turnover (In 100 *mai*)
1956: February	194.5	185.6	194.5	177.9	172.0	174.5	605
March	208.6	186.9	199.9	184.9	172.0	184.0	691
April	210.0	192.9	210.0	204.9	182.1	204.9	746
May	219.3	194.9	200.0	208.5	177.0	179.7	719
June	204.4	189.1	201.9	184.2	175.1	179.0	506
July	196.9	173.1	174.5	179.9	163.1	163.1	750
August	186.0	168.5	180.0	170.8	163.1	168.5	334
September	192.5	182.0	192.5	179.3	166.9	179.3	353

Tokyo Rayon Staple (Viscose 120 D. per lb.)

Year & Month	Current Month (In yen) High	Low	End of Month	Futures (6 Months) (In yen) High	Low	End of Month	Turnover (In 100 *mai*)
1956: February	231.9	215.6	215.6	207.5	193.5	193.5	362
March	246.1	208.9	243.7	213.1	191.5	213.1	426
April	260.1	227.1	260.0	227.0	206.0	227.0	635
May	266.9	238.1	242.5	240.5	213.5	216.5	690
June	283.0	230.0	274.9	232.2	213.0	220.0	445
July	275.9	251.1	269.9	224.8	208.9	215.1	389
August	279.8	251.5	279.8	225.1	213.9	223.5	324
September	279.9	246.9	269.9	241.8	221.1	241.8	397

Osaka Rayon Staple (Viscose 120 D. per lb.)

Year & Month	Current Month (In yen) High	Low	End of Month	Futures (6 Months) (In yen) High	Low	End of Month	Turnover (In 100 *mai*)
1956: February	231.0	219.9	220.1	204.5	193.1	193.1	412
March	257.0	209.5	257.0	211.5	190.4	211.5	658
April	263.0	228.1	246.5	227.5	204.3	227.5	739
May	267.0	235.5	241.0	242.0	211.0	213.1	849
June	285.9	227.5	283.0	230.1	210.0	219.0	884
July	290.0	251.9	290.0	222.9	210.5	212.1	685
August	277.9	250.1	277.9	223.9	209.7	220.0	623
September	290.0	242.6	290.0	238.1	219.5	238.1	840

Nagoya Spun Rayon Yarn (30s bright, per lb.)

Year & Month	Current Month (In yen) High	Low	End of Month	Futures (6 Months) (In yen) High	Low	End of Month	Turnover (In 100 *mai*)
1956: February	145.8	140.0	140.1	131.7	126.1	129.9	5
March	139.2	134.5	139.0	135.5	128.0	135.5	4
April	158.5	140.4	158.5	155.0	135.5	155.0	6
May	160.2	154.9	154.9	154.7	141.8	142.0	5
June	159.9	150.7	159.9	148.5	141.4	145.1	4
July	155.5	148.9	148.9	145.9	130.4	130.4	4
August	149.4	140.5	148.6	134.5	129.5	132.4	4
September	147.5	145.6	146.0	135.9	131.4	135.9	4

Osaka Spun Rayon Yarn (30s bright, per lb.)

Year & Month	Current Month (In yen) High	Low	End of Month	Futures (6 months) (In yen) High	Low	End of Month	Turnover (In 100 *mai*)
1956: February	148.9	135.8	135.8	135.1	127.0	130.0	14
March	138.1	136.0	137.5	134.3	127.9	134.3	9
April	160.0	141.5	160.0	153.0	135.2	153.0	17
May	159.9	149.1	158.6	135.5	139.9	141.2	13
June	158.4	151.0	156.1	147.9	139.8	142.0	18
July	154.9	150.9	154.9	141.9	125.6	125.6	75
August	152.9	142.9	151.5	132.9	126.1	131.7	75
September	151.2	148.4	149.0	136.5	130.1	135.9	69

Yokohama Raw Silk (21 A, per *kin*)

Year & Month	Current Month (In yen) High	Low	End of Month	Futures (6 months) (In yen) High	Low	End of Month	Turnover (In 100 *hyo*)
1956: February	1,924	1,900	1,900	1,958	1,932	1,944	35
March	1,919	1,894	1,896	1,970	1,942	1,964	31
April	2,013	1,911	1,992	2,079	1,968	2,079	61
May	2,154	2,029	2,071	2,120	2,055	2,071	66
June	2,108	2,051	2,066	2,112	2,060	2,067	48
July	2,059	1,926	1,941	2,072	1,986	2,000	65
August	1,990	1,889	1,897	2,019	1,960	1,985	50
September	1,941	1,902	1,926	2,035	1,963	2,035	71

Kobe Raw Silk (21 A, per *kin*)

Year & Month	Current Month (In yen) High	Low	End of Month	Futures (6 months) (In yen) High	Low	End of Month	Turnover (In 100 *hyo*)
1956: February	1,926	1,900	1,900	1,953	1,929	1,947	15
March	1,925	1,900	1,900	1,970	1,947	1,968	13
April	2,021	1,925	2,013	2,064	1,969	2,060	20
May	2,152	2,031	2,031	2,124	2,053	2,075	24
June	2,101	2,040	2,079	2,119	2,062	2,072	13
July	2,065	1,940	1,942	2,075	1,996	2,000	22
August	1,998	1,895	1,895	2,019	1,965	1,986	19
September	1,945	1,907	1,945	2,030	1,960	2,030	22

Toyohashi Cocoon (High grade, per 100 *momme*)

Year & Month	Current Month (In yen) High	Low	End of Month	Futures (6 months) (In yen) High	Low	End of Month	Turnover (In 100 *mai*)
1956: February	376	370	370	357	346	355	50
March	398	379	398	364	354	364	53
April	425	394	413	453	419	453	86
May	460	421	460	470	453	463	88
June	429	402	402	478	464	465	80
July	399	349	357	464	445	453	101
August	383	347	347	471	455	464	53
September	452	428	452	493	461	493	65

Nagoya Woollen Yarn (48, double, A grade, per lb.)

Year & Month	Current Month (In yen) High	Low	End of Month	Futures (6 months) (In yen) High	Low	End of Month	Turnover (In 100 *mai*)
1956: February	1,030	988	1,030	929	900	919	568
March	1,019	954	1,014	929	892	929	432
April	1,045	979	1,045	1,085	923	1,085	858
May	1,185	1,073	1,182	1,130	1,002	1,030	993
June	1,209	1,143	1,186	1,110	1,025	1,046	654
July	1,144	949	959	1,052	946	951	755
August	1,045	955	1,026	1,019	951	1,010	465
September	1,097	1,056	1,097	1,085	1,008	1,085	515

Note: *mai*=cotton yarn··400 lbs., rayon yarn & spun rayon yarn··200 lbs., woollen yarn··100 lbs., cocoon··10 *kan* (1 *kan*=8.267 lbs.), rubber··250 lbs., *hyo*=raw silk.··99.2 lbs. *kin*=raw silk··160 *momme*.

20. Exports and Imports by Value and Indices

(1934–36=100 for indices)

Year & Month	Value (In $1,000)			Value (In million yen)		
	Exports	Imports	Balance	Exports	Imports	Balance
1954 Total	1,629,236	2,399,404	↔ 770,168	586,525	863,785	↔ 277,260
1955 Total	2,010,600	2,471,430	↔ 460,831	723,816	889,715	↔ 165,899
1956: April	195,255	255,262	↔ 60,006	70,292	91,815	↔ 21,602
May	194,961	271,747	↔ 76,786	70,188	97,831	↔ 27,643
June	210,742	280,403	↔ 69,661	75,867	100,945	↔ 25,078
July	197,783	276,447	↔ 78,624	71,202	99,645	↔ 28,443
▲August	217,192	288,997	↔ 71,805	78,189	104,039	↔ 25,850
September	205,156	258,953	↔ 53,797	73,856	93,223	↔ 19,367
1955: September	176,246	180,389	↔ 4,142	63,449	64,939	↔ 1,491

21. Foreign Exchange Receipts and Payments by Month

(In 1,000 dollars)

Year & Month	Receipts			Payments			Balance
	Exports	Invisible	Total	Imports	Invisible	Total	
1951 Total	1,297,324	943,257	2,240,580	1,725,110	184,167	1,909,277	331,303
1952 Total	1,289,185	949,942	2,239,127	1,718,361	206,454	1,924,815	314,312
1953 Total	1,156,399	963,638	2,120,037	2,100,998	212,718	2,313,716	↔ 193,679
1954 Total	1,532,478	776,786	2,309,264	1,961,680	247,616	2,209,296	99,967
1955 Total	1,954,169	713,475	2,667,645	1,848,224	325,622	2,173,846	493,798
1956: February	192,413	61,802	254,216	177,770	32,577	210,348	43,868
March	192,327	64,405	256,733	173,529	32,957	206,487	50,246
April	209,919	65,730	275,650	184,909	38,738	223,647	52,002
May	178,426	67,032	245,458	181,554	35,449	217,004	28,454
June	223,223	71,937	295,161	205,603	47,622	253,225	41,935
July	204,621	69,839	274,461	242,829	43,607	286,477	↔ 11,976
August	212,713	69,842	282,556	232,463	50,610	283,070	↔ 516
1955: August	168,901	66,088	234,989	163,041	23,965	187,006	47,983

22. Exports and Imports by Settlement Area

(In 1,000 dollars)

Year & Month	Exports				Imports			
	Total	Dollar	Sterling	Open Account	Total	Dollar	Sterling	Open Account
1954 Total	1,629,236	560,922	492,758	575,556	2,399,404	1,411,067	433,185	554,923
1955 Total	2,010,600	816,440	649,081	545,050	2,471,430	1,322,027	599,514	539,773
1956: February	185,695	77,402	65,522	40,469	220,385	113,889	65,954	40,539
March	223,788	86,758	81,688	52,471	253,320	120,632	88,189	44,490
April	195,252	88,001	67,332	39,892	255,261	119,957	95,975	39,328
May	194,958	84,242	75,047	35,654	271,747	144,254	89,397	38,093
June	210,742	96,971	72,190	40,415	280,402	156,062	88,977	35,332
July	197,784	89,674	68,351	39,749	276,448	146,389	96,240	33,814
1955: July	159,980	67,623	51,191	41,137	203,770	100,850	54,399	48,512

23. Indices for Industrial Activities

(1934–36=100)

Year & Month	Industrial Activities			Mining	Manufacturing								
	All	Public Works	Mining-Manufacturing	Mining	All	Food-stuff	Textiles	Printing & Binding	Chemicals	Rubber & Leather	Wood & Wood Products	Ceramics	Metals	Machinery
	(153)	(2)	(151)	(10)	(141)	(12)	(12)	(1)	(37)	(10)	(2)	(7)	(18)	(42)
1955 average	187.9	255.0	180.7	117.7	189.4	206.7	85.9	125.1	318.4	177.5	184.7	174.8	218.7	249.7
1956: January	189.4	285.6	181.6	122.2	189.7	197.1	85.2	118.3	322.3	171.7	185.8	172.9	227.3	254.1
February	198.6	274.5	191.0	126.8	199.8	200.8	90.7	121.6	332.0	187.7	190.6	189.2	243.6	284.6
March	208.1	292.7	200.1	106.7	212.8	210.0	90.0	131.9	357.2	204.2	201.8	207.6	255.6	312.7
April	219.4	295.4	211.2	125.8	222.8	213.9	95.7	127.9	390.4	199.8	203.0	214.0	263.4	323.4
May	220.4	298.0	212.2	130.6	223.3	219.5	96.0	133.7	391.4	198.4	206.7	212.2	265.8	313.9
June	223.3	284.9	215.4	130.6	226.9	220.0	101.0	135.0	380.2	207.2	202.4	205.2	269.2	339.1
▲July	227.5	292.0	219.3	131.8	231.2	234.3	103.4	142.8	379.5	207.9	208.3	212.2	265.3	352.9
August	226.9	280.2	218.9	125.3	231.7	233.2	102.6	143.4	381.6	216.3	208.3	217.8	267.5	351.4

Note: ▲ Revised at source.

Source: Table 20, Finance Ministry for value and Economic Planning Board, for indices; Table 21 Foreign Exchange Control Dept., Bank of Japan; Table 22, Ministry of Finance; Table 23, Economic Planning Board.

24. Coal Supply & Demand

(1,000 metric tons)

Year & Month	Carry-overs	Caol Output	Losses	Supply Total	Demand			Month-end Stocks			
					Delivery	Others	Total	At Collieries	At Port	At Market	Total
1956: February	2,404.9	3,920.7	(-) 4.5	6,330.1	4,255.5	(-) 12.5	4,243.0	627.8	693.2	766.1	2,087.1
March	2,087.1	2,948.0	(+) 47.5	5,082.6	4,164.8	(-) 248.2	3,916.6	350.8	282.4	532.8	1,166.6
April	1,166.0	3,783.1	(+) 12.4	4,961.5	3,479.5	(-) 35.1	3,444.4	454.6	479.5	583.0	1,517.1
May	1,517.1	3,929.3	(+) 10.6	5,457.0	3,815.0	(-) 113.0	3,702.0	477.9	509.9	767.2	1,755.0
June	1,755.0	3,917.4	(+) 13.3	5,685.7	3,780.9	(-) 69.1	3,711.8	483.9	564.2	925.8	1,973.9
July	1,973.9	3,921.0	(+) 4.6	5,899.5	3,810.0	(-) 36.8	3,773.2	433.7	578.9	1,113.7	2,126.3

25. Electric Energy Consumption (1,000 KWH)

Supplied by Power Companies (Over 500 kw) 1956					Industries	Self-generated 1956				
March	April	May	June	July		February	March	April	May	June
216,938	221,933	231,310	228,940	237,537	Mining	51,579	45,196	52,792	44,849	84,708
27,951	30,240	33,560	34,764	36,784	Foodstuffs	1,470	521	583	685	825
159,406	156,651	164,598	165,855	176,013	Spinning	1,178	1,281	1,108	1,077	1,054
196,368	193,964	207,320	208,636	212,897	Paper & Pulp	68,817	75,671	63,317	64,524	63,909
665,974	901,491	981,191	913,979	918,223	Chemicals	164,122	213,133	227,604	240,850	237,923
12,192	11,542	12,241	13,290	13,517	Oil & Coal Products	2,390	2,687	2,133	2,523	2,231
18,190	17,268	17,898	18,147	18,694	Rubber Goods	—	—	—	—	—
47,497	52,959	57,077	57,789	59,337	Glass & Ceramics	98,350	113,491	124,493	116,740	109,074
447,271	568,324	604,922	591,994	608,572	Primary Metals	180,923	214,081	234,155	294,847	252,919
8,381	6,854	6,933	6,815	7,187	Metal Products	—	—	—	—	—
34,340	32,434	32,721	33,953	34,419	Machinery	74	97	154	300	214
46,182	53,352	54,809	55,589	54,891	Electric Machinery & Tools	—	—	—	—	—
70,186	65,916	66,690	68,628	68,239	Transportation Machinery & Tools	—	—	—	—	—
9,815	9,728	10,120	10,820	11,680	Other Manufacturing	—	—	—	—	—
1,743,753	2,100,718	2,250,080	2,180,259	2,220,453	Manufacturing Total	517,324	620,962	653,547	676,546	668,149
270,008	261,778	267,210	254,361	264,988	Public Utilities	—	204	209	216	210
98,962	95,114	95,211	104,715	113,500	Others	—	—	—	—	—
2,329,661	2,679,543	2,843,811	2,768,275	5,835,978	Total	569,068	666,362	706,548	721,674	717,282

26. Supply & Demand of Raw Silk

(In bales=123 lbs.)

Year & Month	Raw Silk						Silk Fabrics	
	Production	Exports	Domestic Deliveries	Stocks at Month-end	U.S. Consumption		Production	Exports
					Consumption	Stocks at Month-end		
1956: January	20,556	4,820	13,409	19,094	5,970	11,170	13,368	2,196
February	24,464	7,421	15,906	18,311	3,965	9,719	13,296	2,656
March	25,528	5,709	17,593	18,233	4,823	10,003	13,631	2,938
April	22,306	6,408	17,300	16,649	4,757	9,702	14,396	2,587
May	20,306	4,256	17,891	14,808	5,048	9,626	15,227	3,173
June	20,903	4,415	17,174	14,122	4,627	9,421	15,791	..
July	31,620	5,818	22,468	17,266	4,466	9,181	..	..
1956: January–July	165,683	38,847	121,741	—	33,656	—	..	..
1955: January–July	143,913	37,985	106,145	—	29,724	—	107,299	13,359

27. Supply & Demand of Paper and Pulp

Year & Month	Pulp (long ton)				Paper, Western Style (in 1,000 pounds)				Cardboard & Japanese Style Paper (in 1,000 pounds)			
	Production	For Paper	Deliveries	In Stock	Production	Deliveries	Self-Consumption	In Stock	Production	Deliveries	Self-Consumption	In Stock
1955: Dec.	169,773	90,793	75,627	33,348	268,642	255,728	7,937	154,818	437,036	415,159	20,345	206,726
1956: Jan.	161,584	86,435	71,168	37,329	248,934	235,584	8,264	159,903	404,027	379,393	19,348	212,012
Feb.	164,793	87,568	78,225	36,329	256,378	243,458	9,775	163,048	424,668	402,905	21,672	212,103
Mar.	179,059	96,510	86,267	32,611	285,249	272,542	9,573	167,114	464,266	439,793	19,795	217,711
Apr.	169,437	91,664	76,334	34,050	270,353	261,834	8,597	176,036	448,280	430,931	19,002	216,058
May	178,974	97,627	81,716	33,681	285,339	276,940	9,859	165,575	472,401	453,190	21,183	214,086
June	178,598	95,891	83,669	32,791	286,412	279,505	9,445	163,036	469,894	451,983	22,218	209,778

28. Supply & Demand of Soda and Ammonium Sulphate

(In metric tons)

Year & Month	Ammonium Sulphate			Soda Ash			Caustic Soda		
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1956: January	179,355	179,327	129,916	29,781	26,877	4,039	47,144	38,622	9,323
February	160,707	176,680	107,210	29,895	28,772	3,937	44,826	38,837	8,331
March	189,695	187,128	100,965	31,766	30,486	3,835	49,227	41,911	8,023
April	202,515	203,281	93,634	30,744	28,019	5,126	50,683	43,509	7,738
May	212,005	201,642	95,458	31,708	30,265	5,433	53,398	44,412	8,511
June	206,610	162,709	132,245	31,606	29,163	7,087	52,874	44,879	8,913
July	200,429	161,473	165,643	29,826	29,202	6,187	56,521	47,851	9,884
1955: July	185,378	127,923	99,373	28,070	26,286	4,186	43,564	36,833	8,032

Sources: 24. MITI 25. Public Utilities Bureau. 26. Central Raw Silk Association. 27. MITI. 28. MITI. ▲ Revised at source.

29. Supply & Demand of Pig-iron and Steel Materials

(In tons) (MITI)

Year & Month	Pig iron			Steel Matrials					
				Steel			Special Steel		
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1955: Total	5,216,766	1,204,402	88,819	6,931,774	5,363,447	281,393	318,616	238,824	24,463
1956: February	449,394	87,808	102,773	637,746	477,756	287,210	35,059	27,081	24,278
March	479,583	104,524	99,583	678,664	524,164	288,176	35,381	27,652	22,926
April	485,359	94,447	124,798	662,599	515,103	284,169	39,057	29,447	23,832
May	514,527	111,015	152,676	675,410	523,418	274,991	37,474	29,629	22,072
June	476,876	115,049	123,554	677,921	512,063	277,546	40,084	31,926	21,477
1955: June	448,238	105,991	88,316	573,125	418,152	370,463	28,165	22,101	21,626

30. Department Store Sales (In million yen) (MITI)

	By Month	No. of Stores	Total	Clothing	Sundry Goods	House-hold Utensils	Provi-sions	Dining Room	Services	Outside Store Sales	Others	Gift Certifi-cates
	1955: November	158	19,534	10,694	3,028	1,849	2,491	478	202	612	180	158
	December	158	41,017	20,914	6,904	3,537	7,437	600	258	1,066	303	1,151
	1956: January	158	14,577	6,577	2,998	1,467	2,432	461	144	352	146	179
Total	February	158	14,532	6,537	3,048	1,510	2,507	445	143	170	171	176
	March	158	20,314	9,821	4,412	1,931	3,011	613	194	35	295	298
	April	160	19,620	9,068	4,445	2,066	2,928	612	178	18	304	222
	May	161	17,624	7,997	3,724	2,044	2,795	573	162	16	312	158
	June	161	18,107	8,741	3,605	2,245	2,595	531	137	18	234	190
	July	161	23,690	10,630	4,639	2,699	4,595	655	134	26	312	701

31. JPA Procurement Contracts (In $1,000)

Year & Month	Contracts (Weekly total)			Cumulative total as from June 26, 1950		
	Total	Merchandise	Services	Total	Merchandise	Services
1951 Average	29,470	21,209	8,261	—	—	—
1952 ,,	20,335	13,830	6,505	—	—	—
1953 ,,	27,359	17,523	9,836	—	—	—
1954 ,,	19,761	9,975	9,786	—	—	—
1955 ,,	14,815	5,566	9,249	—	—	—
1955: November	8,338	5,009	3,329	1,697,161	702,212	994,949
December	9,491	4,192	5,299	1,706,591	999,045	707,546
1956: January	10,148	6,126	4,021	1,716,612	1,005,144	711,468
February	6,913	2,951	3,962	1,723,023	1,007,559	715,464
March	8,251	4,788	3,463	1,730,986	1,012,320	718,666
April	14,494	7,644	6,850	1,745,210	1,019,891	725,319
May	14,843	9,275	5,568	1,759,849	1,029,027	730,822
June	19,810	10,335	9,475	1,781,728	1,039,421	724,307
July	34,992	7,614	27,378	1,816,614	1,046,982	769,632

Source: Economic Planning Board.

32. JPA Procurement Payments (In $1,000)

Year & Month	Monthly			Cumulative total as from June 26, 1950		
	Total	U.S.'s Burden	Japan's Burden	Total	U.S.'s Burden	Japan's Burden
1954 Total	453,674	268,679	184,995	—	—	—
1955 Total	355,664	233,875	121,789	—	—	—
1956: April	21,934	17,079	4,855	2,384,156	1,845,592	538,564
May	27,149	18,266	8,883	2,411,305	1,863,858	547,447
June	33,761	22,924	10,837	2,445,066	1,886,782	558,284
1955: June	45,556	31,637	8,919	2,115,720	1,658,428	457,292

Source: American Embassy Economic Section.

33. Labor Population Survey (In 1,000)

Year & Month	Total (1) Population	Population 14 years old and over						Agriculture & Forestry		Non-Agricultural Industry	
			Labor Force				Not in Labor Force	Not at Work (3)	At Piece-Work (4)	Not at Work (3)	At Piece-Work (4)
		Total (2)	Total of the following three columns	Agriculture & Forestry	Non-Agricultural Industries	Totally Unemployed					
1953 Average	86,780	58,310	39,700	17,130	22,120	450	18,620	260	6,270	300	3,360
1954 ,,	88,030	59,280	40,150	16,670	22,910	580	19,080	250	5,790	310	3,360
1955 ,,	89,110	60,920	41,800	17,150	23,970	680	19,010	240	6,360	330	3,790
1956: February	89,700	62,190	39,580	13,480	25,350	750	22,530	310	8,280	310	4,270
March	89,800	62,320	41,910	15,430	25,420	1,060	20,310	320	8,340	440	4,270
April	89,900	62,420	43,110	17,000	25,410	700	19,210	250	6,260	270	3,400
May	89,900	62,510	44,610	18,960	25,030	620	17,820	210	4,580	260	3,220
June	90,000	62,600	44,970	19,730	24,670	570	17,560	230	7,130	310	3,060
July	90,100	62,700	44,280	18,530	25,190	570	18,320	230	4,950	440	3,360
1955: July	89,200	60,900	40,800	19,220	21,150	430	17,630	180	4,890	380	3,450

Notes: (1) Since August, 1950, total population is the estimated total population as of the 1st of next month.
(2) Including persons whose labor force status was unknown.
(3) Among the persons holding jobs but not at work during the survey week, the following are defined as not at work: self-employed workers are not at work provided that their employees or unpaid family workers are engaged in their business during the survey week; employees are not at work provided that either they received or are expected to receive payment.
(4) Those whose working hours total only 1~34 hours in a week.

Source: Bureau of Statistics, Office of the Prime Minister.

34. Spot Quotations on Tokyo Securities Exchange

Names of Shares	Authorized (Paid-up) Capital In million yen	Dividends	1956 September High	1956 September Low	1956 Oct. 15
Transportation		%	¥	¥	¥
Iino Kaiun	6,600	—	75	67	73
Mitsubishi Shipping	4,800	8	95	85	69
Mitsui Steamship	5,500	—	70	62	63
Nippon Express	7,200	16	238	218	230
Nitto Shosen	6,000	8	77 □	64 □	65
N.Y.K.	11,400	—	73	65	61
O.S.K.	7,600	—	61	54	55
Tobu Railway	1,600	13	121	107	104
Tokyo El. Express Railway	3,000	15	100	95	90
Mining & Oil					
Dowa Mining	1,500	25	214	135 □	142 □
Furukawa Mining	2,100	12	127	95	99
Maruzen Oil	2,625	20	113	106	112
Mitsui Mining & Smelting	2,400	18	120	110	115
Mitsubishi Mining	2,700	10	108	72 □	77 □
Mitsubishi Metal Mining	2,730	18	149	110 □	117 □
Mitsubishi Oil	2,400	20	129	117	126
Mitsui Mining	1,200	—	104	97	103
Nihon Mining	5,670	20	127	91 □	93 □
Nippon Oil	4,500	20	102	94	93
Showa Oil	2,550	20	103	92	93
Sumitomo Coal Mining	1,200	10	80	73	73
Sumitomo Metal Mining	2,145	18	125	100 □	114 □
Teikoku Oil	2,000	12	83	76	81
Toa Nenryo Kogyo	3,159	25	139	132	150
Ube Industries	4,200	20	151	133	152
Shipbuilding & Machinery					
Canon Camera	400	25	180	167	172
Ebara Mfg.	600	20	144	135	150
Fuji Electric	2,400	15	115	111	95
Furukawa Electric	3,000	12	89	83	96
Hitachi, Ltd.	10,000	15	96	90	94
Ishikawajima Heavy Ind.	2,600	12	122	76 □	83 □
Isuzu Motor	3,000	16	95	82	101
Japan Precision Ind.	800	20	113	99	125
Koyo Seiko	700	15	125	77 □	84 □
Mitsubishi Elec. Mfg.	5,400	15	103	82 □	86 □
Mitsubishi Heavy Ind., Reorg	5,600	12	101	94	101
Mitsubishi Japan Heavy Ind.	3,000	10	75	70	75
Mitsubishi Shipbldg. & Eng.	5,600	12	130	82	88
Mitsui Shipbldg. & Eng.	2,240	16	103	98	98
Nippon Electric	1,000	15	141	82 □	88 □
Nippon Kogaku	465	15	171	110	117
Nissan Motor	4,200	20	136	85 □	96 □
Tokyo Shibaura Electric	9,588	12	92	69 □	73 □
Toyo Bearing Mfg.	600	20	128	110	135
Steel & Metal					
Fuji Iron & Steel	13,000	12	84	65 □	67 □
Kawasaki Steel	4,000	—	78	75	76
Kobe Steel Works	3,600	12	76	70	69
Nippon Light Metal	2,995	10	168	148 □	153 □
Nippon Kokan Ind.	10,000	15	81	76	76
Sumitomo Metal Ind.	5,000	10	76	69	71
Yawata Iron & Steel	15,000	12	87	67 □	68 □
Textiles					
Asahi Chemical	(B) 3,675	25	418	370	420
Chuo Textile	500	10	72	60	70
Dai Nippon Spinning	5,250	18	110	103	111
Daito Woollen Spinning	1,500	20	100	95	92
Fuji Spinning	3,000	20	112	100	113
Japan Wool Textile	2,560	50	138	135	144
Kanegafuchi Spinning	3,738	20	115	102	114
Kokoku Rayon	3,000	12	78	75	78
Kokusaku Pulp	1,630	20	160	110 □	113 □
Kurashiki Rayon	3,000	15	188	110 □	132 □
Kurashiki Spinning	2,600	20	120	108	—
Mitsubishi Rayon	2,250	20	167	120 □	127 □
Nippon Pulp Ind.	1,600	20	132	124	130
Nisshin Cotton Spinning	1,040	30	329	307	314
Nitto Spinning	1,350	15	110	101	110
Ohmi Kenshi Spinning	1,000	10	106	93	109
Sanyo Pulp	2,175	20	162	152	161
Teikoku Rayon	4,800	20	188	130 □	138 □
Toho Rayon	1,500	20	129	125	129
Tohoku Pulp	2,028	20	152	111	115
Toyo Rayon	6,000	25	184	168	193
Toyo Spinning	6,450	22	154	139	160

Names of Shares	Authorized (Paid-up) Capital In million yen	Dividends	1956 September High	1956 September Low	1956 Oct. 15
Food & Fishery		%	¥	¥	¥
Ajinomoto	2,296	25	203	198	199
Asahi Breweries	1,460	20	177	173	175
Dainippon Sugar Mfg.	720	25	158	149	141
Honen Oil	1,000	20	199	179	135 □
Japan Beet Sugar Mfg.	675	20	127	118	117
Japan Distilling	1,100	20	93	88	92
Kirin Brewery	1,845	22	227	221	164 □
Meiji Confectionery	840	25	149	140	133
Meiji Sugar Mfg.	500	30	159	147	143
Morinaga Confectionery	750	20	179	170	163
Nippon Breweries	1,460	20	166	160	160
Nippon Cold Storage	1,600	20	119	115	120
Nippon Flour Mills	864	20	130	123	102 □
Nippon Suisan	3,500	15	96	92	89 □
Nisshin Flour Milling	1,000	16	127	120	119
Nissin Oil Mills	500	35	155	145	149
Noda Soy Sauce	800	30	209	200	207
Taito	300	45	265	255	245
Takara Shuzo	2,618	20	140	132	135
Toyo Seito	333	30	162	155	167
Chemicals					
Dainippon Celluloid	2,000	15	158	147	107 □
Electro-Chemical	2,040	20	117	105	119
Kansai Paint	200	20	133	130	99 □
Kyowa Fermentation Ind.	1,399	20	117	101	127
Mitsubishi Chem. Ind.	3,172	10	134	120	143
Mitsui Chemical Ind.	1,600	20	148	132	153
Nippon Chem. & Medicine	500	20	153	140	152
Nippon Soda	1,508	15	121	113	118
Nissan Chemical Ind.	2,000	13	77	74	81
Nitto Chem. Ind.	2,247	8	130	127	130
Sankyo	780	25	197	187	128 □
Shin-etsu Chemical Ind.	980	15	93	85	99
Shin Nippon Chisso Hiryo	2,400	15	137	122	103 □
Showa Denko	4,400	15	178	168	121
Sumitomo Chemical	4,000	15	133	120	140
Toa Gosei Chemical Ind.	2,400	20	187	175	134 □
Toyo Koatsu Ind.	3,600	20	132	123	129
Toyo Soda	1,200	15	108	101	81 □
Miscellaneous					
Asahi Glass	5,000	20	209	188	142 □
Fuji Photo Film	2,000	20	178	167	180
Konishiroku Photo Industry	1,800	20	128	126	96 □
Nippon Musical Instruments	450	25	150	145	157
Nippon Sheet Glass	1,200	20	173	162	171
Toyo Seikan	(A) 400	20	1,750	1,740	—
Tokyo Rope	441	10	153	140	153
Yokohama Rubber	951	10	148	142	145
Paper & Printing					
Hokuetsu Paper Mills	900	10	73	67	72
Honshu Paper	2,000	8	91	84	87
Jujo Paper	1,120	30	267	257	263
Mitsubishi Paper Mills	900	15	104	97	109
Oji Paper	1,600	25	240	228	238
Toppan Printing	300	23	189	180	187
Lumber & Ceramics					
Iwaki Cement	1,000	40	200	197	204
Nihon Cement	2,500	24	166	147	173
Nippon Gaishi	500	25	180	173	176
Nippon Toki	490	25	245	240	177
Onoda Cement	5,120	16	92	85	93
Land, Warehouse & Trade					
Heiwa Real Estate	1,323	10	331	312	306
Mitsui Bussan	878	20	243	209	230
Mitsui Real Estate	200	20	770	730	735
Mitsubishi Estate	2,064	18	201	189	190
Mitsubishi Shoji	5,000	16	100	91	94
Mitsubishi Warehouse	600	10	103	94	100
Dept. Stores & Amusements					
Mitsukoshi	1,860	26	355	334	344
Nikkatsu	3,287	10	62	60	60
Shochiku Motion Picture	1,848	25	159	152	157

Notes: (A) 500 yen shares. (B) 100 yen shares, others 50 yen. □ ex-new.

35. Exports and Imports by Country

(In million yen)

Settlement Area	Countries	Exports				Imports			
		1954 Total	1955 Total	June 1956	July 1956	1954 Total	1955 Total	June 1956	July 1956
	Total Exports & Imports	586,562	723,816	75,867	71,202	863,785	889,715	100,945	99,521
	Asia Total	286,846	303,460	28,870	28,295	265,259	325,421	30,826	31,327
0	Korea	24,684	14,218	2,193	1,846	2,911	3,434	233	315
£	China	1,878	20,277	2,414	1,824	14,677	29,080	1,796	3,480
$	Ryukyu Islands	15,529	18,288	1,692	1,709	3,645	5,738	707	655
£	Hong Kong	27,815	31,702	2,910	2,727	1,426	2,221	419	639
0	Formosa	23,734	22,978	3,598	2,870	20,552	29,116	1,399	414
	Southeast Asia Total	161,444	203,270	15,868	17,610	165,301	189,834	18,052	19,126
0	Indo-China	4,654	13,245	1,503	1,717	5,233	1,982	514	100
0	Thailand	23,438	22,691	1,765	2,075	24,901	22,841	1,850	1,630
£	Malayan Union	3,360	4,852	415	378	20,326	33,416	3,144	3,890
£	Singapore	13,281	21,355	1,446	1,387	2,648	5,892	913	850
0	Philippines	11,229	18,651	1,553	1,826	24,166	32,023	3,084	3,864
£	British Borneo	179	377	39	24	6,986	7,707	818	915
0	Indonesia	43,097	23,297	2,347	2,343	21,682	29,219	2,898	2,732
£	Burma	16,413	13,786	516	767	22,713	16,477	1,764	545
£	India	15,788	30,503	2,346	3,159	18,562	27,823	2,211	3,347
£	Pakistan	20,160	15,839	413	456	13,028	16,951	1,630	1,354
£	Ceylon	6,226	7,353	659	761	950	989	73	165
$	Iran	8,446	8,072	651	495	7,722	7,920	477	596
£	Iraq	6,110	7,756	581	468	217	2,055	349	140
£	Aden	3,348	3,461	278	233	102	1,159	125	57
$	Saudi Arabia	999	2,372	348	234	39,916	35,169	4,549	3,657
£	Kuwait	1,682	2,265	210	168	3,887	5,914	818	1,072
0	Turkey	2,444	1,272	129	12	2,091	396	105	1
£	Jordan	562	637	64	56	50	356	—	—
$	Syria	1,355	2,502	179	187	222	1,425	232	31
$	Lebanon	458	434	42	25	146	37	16	77
	Europe Total	52,665	74,086	7,067	6,755	69,526	62,999	7,256	6,728
0	Sweden	3,031	4,815	379	511	3,268	1,712	194	211
$	Denmark	471	2,123	105	103	1,343	685	48	89
£	United Kingdom	18,405	21,876	3,002	1,228	13,358	13,650	2,122	2,203
0	Netherlands	7,855	9,627	608	625	4,227	4,129	485	448
$	Belgium & Luxemburg Economic Union	2,896	3,736	441	414	4,955	3,248	329	371
0	France	4,189	4,182	385	286	7,400	5,507	814	675
£	West Germany	6,514	9,058	698	919	15,880	16,648	1,748	1,458
$	East Germany	880	1,145	—	0	1,897	1,858	153	3
$	Switzerland	1,708	2,259	321	305	3,925	4,573	493	471
$	Spain	564	1,235	356	66	4,783	4,242	168	350
£	Italy	1,940	2,846	350	380	6,295	4,717	568	214
$	Norway	420	542	34	51	150	98	7	22
0	Finland	551	1,419	33	39	815	474	—	78
$	Austria	282	818	129	117	324	320	27	30
	North America Total	125,456	191,536	20,024	22,959	396,858	367,588	47,355	43,006
$	Canada	7,576	16,254	2,253	2,065	44,117	39,175	5,279	4,829
$	U.S.A.	99,655	161,722	16,714	19,602	304,899	278,021	33,908	34,151
$	Mexico	10,363	2,656	171	204	33,219	30,230	2,570	1,267
$	Cuba	1,092	1,747	119	157	8,739	9,906	2,854	2,469
$	Panama	554	2,166	151	161	909	323	20	4
$	Colombia	3,415	2,556	228	314	200	257	44	16
$	Ecuador	477	549	28	34	2,122	74	5	10
	South America Total	56,924	53,533	4,270	3,703	63,829	37,432	2,529	3,404
$	Peru	1,670	1,796	259	264	7,315	3,880	536	552
0	Brazil	28,155	12,032	1,477	1,356	26,580	21,340	321	1,021
0	Argentina	17,592	28,485	1,652	894	21,800	8,006	1,456	1,540
$	Chile	447	1,401	74	153	863	278	111	164
	Africa Total	49,857	74,009	13,891	7,994	18,462	22,664	4,124	3,353
0	Egypt	2,312	5,124	425	388	10,086	10,643	2,510	1,752
£	Nigeria & Gold Coast	15,305	22,034	2,180	2,278	111	62	37	24
$	Liberia	9,055	19,060	8,620	3,062	87	19	327	1,593
$	Belgian Congo	4,249	1,226	149	96	25	45	4	1
£	British East Africa	—	—	627	502	—	—	504	405
£	Union of South Africa	10,885	10,382	1,106	1,112	3,807	6,295	486	732
	Australia & Oceania Total	14,794	27,181	1,326	1,493	49,769	73,569	8,843	9,701
£	Australia	10,155	19,842	775	1,020	42,160	63,974	7,802	8,231
£	New Zealand	941	2,833	190	74	1,612	2,419	203	256
$	Hawaii	2,092	2,478	126	257	638	365	22	122
£	New Caledonia	105	230	27	23	1,217	2,483	493	420
0	French Oceania	74	74	3	4	1,425	1,513	105	307
$	Guam	405	210	75	4	727	712	8	267

Source: Finance Ministry.

Note: 0 denotes open account area; $, dollar area; £, sterling area.

36. Production by Major Items

Items	In	1955 Total	1956 July	1956 August
			△	△
Electricity. Coal. Cokes. Gas				
Electricity	1,000 KWH	53,503,578	5,327,524	5,092,378
Coal	1,000 Tons	42,423.4	3,921	3,673
Cokes	,,	7,088,685	675,456	679,656
Gas	1,000 CM	2,411,555	201,415	195,945
Minerals				
Gold	GM.	7,382,292	581,011	590,055
Silver	KG.	184,870	16,114	15,888
Copper	Tons	71,096	6,528	6,665
Lead	,,	26,089	2,503	2,340
Zinc	,,	108,392	10,641	10,410
Sulphuric Iron	,,	2,730,662	263,801	255,475
Iron	,,	965,021	102,969	102,000
Refined Sulphur	,,	202,415	21,218	21,112
Crude Oil	KG.	354,309	29,034	29,000
Natural Gas	CM.	..	13,911,526	13,780,000
Non-ferrous Metals & Products				
Electric Gold	GM.	8,591,140	777,110	675,048
Electric Silver	KG.	227,440	21,115	20,255
Electric Copper	Tons	113,316	11,404	11,288
Lead	,,	37,111	3,812	3,716
Zinc	,,	..	11,873	11,226
Electric Tin	KG.	1,033,606	80,970	137,510
Mercury	,,	171,271	22,507	23,346
Nickel	,,	3,487,484	495,192	546,423
Aluminum	Tons	57,508	5,888	5,506
Rolled Aluminum	,,	52,980	4,946	5,255
Rolled Copper	,,	117,044	12,098	12,608
Wires & Cables	,,	95,478	9,014	9,350
Oil Products				
Gasoline	Kl.	2,461,481	253,797	242,372
Light Oil	,,	737,128	62,952	52,360
Heavy Oil	,,	3,928,552	510,544	534,064
Lubricants	,,	365,514	33,776	36,456
Iron & Steel Products				
Pig-iron	Tons	5,216,766	483,032	500,287
Steel	,,	9,407,723	955,369	954,388
Open Hearth Steel	,,	—	771,649	773,309
Converter Steel	,,	—	39,501	36,419
Electric Furnace Steel	,,	—	144,219	144,660
Ferro-alloys	,,	209,647	31,072	24,094
Rolled iron materials	,,	6,931,774	652,248	657,329
Iron Shapes (Medium size)	,,	359,263	38,355	42,682
Iron wire	,,	606,627	43,829	45,059
Iron Sheets (Thick)	,,	1,421,148	163,725	171,793
Iron Sheets (Thin)	,,	740,637	56,909	57,953
Rolled Special Steel	,,	318,616	42,297	42,016
Iron Tubes	,,	432,233	44,100	39,107
Forged Steel	,,	144,390	17,612	17,618
Cast Steel	,,	..	17,957	18,022
Galvanized Sheets	,,	..	52,416	53,104
Machinery & Machine Tools				
Steam Boilers	Tons	33,266	1,527	2,529
Steam Turbines	KW.	403,594	3,660	—
Water Turbines	KW.	627,664	77,914	67,040
Gasoline Engines	HP.	178,455	21,124	34,618
Oil Burners	,,	323,889	39,925	40,265
Machine Tools	Tons	6,588	1,139	871
Drills	1,000 Pcs.	12,846	1,482	1,471
Rolling Machines	Tons	..	4,737	3,967
Bearings	,,	6,948	987	952
Cogs	,,	1,598,422	377	476
Thrashing Machines	,,	252,541	22,878	25,966
Hulling Machines	,,	56,171	6,639	6,827
Rice-cleaning Machines	,,	78,445	5,018	6,459
Air Compressors	,,	4,076	673	639
Electric Fans	,,	4,944	650	646
Pumps	,,	21,056	2,441	2,137
Refrigerators	,,	14,525	1,306	1,451
Conveyers	,,	15,305	1,602	1,201
Cranes	Tons	16,073	1,492	1,771
Winches	,,	4,853	585	530
Elevators	,,	..	509	671
Printing Machines	,,	7,725	623	611
Silk Preparing Machines	,,	..	431	425
Cotton Preparing Machines	,,	..	618	587
Cotton Spinning Machines	,,	25,750	7,398	7,151
Wool Spinning Machines	,,	14,537	526	542
R. Staple Weaving Machines	Units	16,648	1,983	1,778
Cotton Weaving Machines	,,	16,950	2,215	2,263
Wool Weaving Machines	,,	2,764	266	255
Sewing Machines	,,	1,696,334	138,112	131,421
Lathes	Tons	5,132	599	559
Drilling Machines	,,	3,354	373	418
Millwork Power Generators	KVA	654,614	54,875	25,190
Ordinary Motors	HP	1,436,524	114,899	122,148
Ordinary Transformers	KVA	109,961	216,330	221,117
Mercury Rectifiers	KW	961,277	19,786	10,365
Condensers (High Pressure)	KVA.	..	126,899	123,468
Condensers (Low Pressure)	MF.	37,304	1,681,079	1,480,064
Switchboards	Units	56,901	3,971	4,255
Circuit Breakers	,,	..	25,846	28,244
Controllers	,,	515,305	2,000	2,165
Electric Fans	,,	142,887	59,384	49,576
Electric Bulbs	1,000 Pcs.	66,801	13,070	13,303
Special Electric Bulbs	,,	1,461,458	5,154	5,502
Watt-hour Meters	Units	31,909	164,702	157,177
Electric Meters	,,	10,179,162	4,756	4,011
Storage Batteries	Kg.	4,849	1,007,252	928,448
X-Ray Equipments	Sets	509,990	389	371
Telephones	,,	3,349	48,682	44,901
Telephone Switchboards	,,	193,673	401	353
Automatic Tel. Switchboards	Circuits	1,789,190	19,396	32,230
Radios	Set.	136,505	237,242	241,108
Televisions	,,	30,481	29,303	30,100
Electric Tubes for Receiving	1,000 Pcs.	74,167	3,442	3,521
Elect. Tubes for Transmis.	1,000 Pcs.	20,584	9,678	9,614
Truck Chassises	Units	4,807	2,553	2,469
Bus Chassises	,,	..	450	504
Small Four-wheeler Chassises	,,	..	3,426	3,828
Small Passenger Car Chassises	,,	87,743	2,035	2,135
Small Three-wheeler Chassises	,,	..	9,056	9,205
Truck Bodies	,,	..	4,460	4,320
Bus Bodies	,,	..	565	610
Small Truck Bodies	,,	1,108,792	2,523	2,850
Bicycles	,,	305	115,950	121,338
Industrial Locomotives	,,	..	52	22
Binoculars	Pairs	280,582	36,905	39,107
Cameras	Units	1,021,236	114,421	109,836
Watches	Pcs.	5,798,343	580,126	532,839
Textiles & Yarns				
Cotton Yarn	1,000 lb.	922,680	92,459	90,599
Silk Yarn	,,	4,387	394	351
Rayon Staple Yarn	,,	195,352	19,426	20,107
Rayon Filament Yarn	,,	410,938	44,763	45,221
Woollen Yarn	,,	184,748	20,340	20,337
Bast Fibre Yarn	,,	101,053	8,496	8,019
Staple Fibres	,,	536,748	59,095	59,800
Cotton Textiles	1,000 sq. y.	3,018,137	293,068	280,631
Silk Textiles	,,	184,322	16,011	15,439
Spun Silk Textiles	,,	24,497	1,905	2,213
Rayon Textiles	,,	773,828	77,407	75,218
Rayon Staple Textiles	,,	895,927	94,654	83,925
Woolen Textiles	,,	185,615	18,818	18,724
Bast Fibre Textiles	,,	137,549	11,874	9,448
Chemicals				
Ammonium	Tons	750,315	74,058	67,549
Ammonium Sulphate	,,	2,128,943	200,429	182,244
Superphosphate of Lime	,,	1,794,786	147,000	173,685
Carbide	,,	674,073	94,901	62,292
Calcium Cyanamide	,,	510,883	41,244	37,929
Synthetic Chem. Fertilizers	,,	1,008,921	74,709	106,091
Caustic Soda	,,	517,138	56,521	56,262
Soda Ash	,,	830,448	29,836	30,486
Synthetic Hydrochloric Acid	,,	..	23,763	22,633
Bleaching Powder	,,	..	1,731	1,841
Liquid Chroline	,,	..	7,762	7,924
Crude Bensol	,,	97,675	9,122	9,076
Refined Bensol	,,	40,556	4,647	4,758
Pure Toluol	,,	7,738	790	787
Photo-films	1,000 sq.m.	8,006	720	656
Paper & Pulp				
Pulp	Long Tons	1,877,415	180,601	185,901
Western Style Papers	1,000 lb.	3,071,063	474,644	478,258
Ceramics				
Firebricks	Tons	689,339	73,126	72,900
Chinawares	,,	..	37,352	36,623
Glass Products	,,	337,301	34,132	34,700
Red Bricks	,,	527,109	24,487	26,420
Sheet Glass	Boxes	6,650,036	615,004	662,308
Cement	Tons	10,556,650	1,124,505	1,158,075
Miscellaneous				
Automobile Tires	Pcs.	2,317,575	278,955	288,630
Metal Toys	1,000 pcs.	250,795	26,687	27,098
Pencils	Gross	6,591,749	533,769	567,000
Needless	1,000 pcs.	244,659	23,203	23,362
Match	Match tons	417,155	33,799	42,707
Piano	Sets	11,510	1,171	1,202
Leather Shoes	prs.	4,998,172	404,585	375,070

Source: Ministry of International Trade & Industry. Note: △ Provisional figures.

37. Exports by Major Articles

(In million yen)

Articles	Unit	1955 Aggregate Volume	1955 Aggregate Value	1956 June (Aggregate) Volume	1956 June (Aggregate) Value	1956 July (Aggregate) Volume	1956 July (Aggregate) Value
Food	—	—	47,793	—	5,289	—	5,620
Fish & Shellfish	m.t.	155,108	27,226	14,217	3,205	18,966	3,978
Canned, Bottled Fish	,,	62,206	16,442	7,808	2,384	8,607	2,450
Cereals	—	—	1,287	—	75	—	75
Fresh & Frozen Fruit	m.t.	116,519	9,276	13,091	1,191	10,221	693
Sugar & Its Products	m.t.	34,039	1,434	123	97	1,667	82
Beverage & Tobacco	—	—	1,214	1,856	190	1,794	182
Tea	1,000 lbs.	31,954	3,510	—	108	—	94
Beer	kl.	6,339	507	—	84	—	67
Tobacco	—	—	471	—	24	—	27
Raw Materials	—	—	35,285	—	2,608	—	2,713
Lumber	cu.m.	442,008	10,438	55,549	1,098	50,947	1,009
Textile, Fibre	1,000 lbs.	69,061	20,821	4,804	1,300	5,326	1,460
Raw Silk	bales	86,712	18,005	642	1,001	720	1,082
Fertilizers & Mineral Products	—	—	252	—	11	—	17
Animal & Vegetable Materials	—	—	2,257	—	152	—	173
Coal & Petroleum	—	—	2,546	—	283	—	189
Animal & Vegetable Oils	—	—	6,381	—	1,565	—	215
Animal Oil	m.t.	—	5,448	—	1,527	—	176
Cod-liver Oil	,,	6,729	2,155	240	105	307	175
Vegetable Oil	,,	8,036	916	211	29	184	25
Chemicals, Drugs	—	—	33,751	—	3,698	—	3,486
Pharmaceuticals	—	—	2,997	—	387	—	301
Chemical Fertilizers	m.t.	762,875	15,010	88,154	1,844	104,983	1,942
Manufactured Products by Material	—	—	414,867	—	36,097	—	37,905
Rubber Goods	—	—	4,359	—	813	—	871
Tyres & Inner Tubes	m.t.	9,281	3,345	1,829	698	1,765	743
Wood & Cork Products	—	—	15,763	—	326	—	422
Paper & Related Products	m.t.	82,096	6,627	10,886	931	9,877	869
Textiles	—	—	210,588	—	18,339	—	18,098
Woollen Yarn	1,000 lbs.	7,877	6,263	581	376	475	296
Cotton Yarn	,,	26,226	8,756	1,326	403	1,276	353
Rayon Yarn	,,	18,046	3,231	4,055	711	4,797	886
Spun Rayon Yarn	,,	39,224	5,897	1,361	234	1,303	228
Cotton Fabrics	1,000 sq. yds.	1,138,829	82,757	79,720	6,349	78,381	6,083
Silk Fabrics	,,	30,022	5,622	16,067	912	19,877	1,083
Woollen Fabrics	,,	17,751	10,003	1,633	883	1,436	721
Artificial Fibre Fabrics	,,	895,631	55,686	99,379	6,774	95,969	6,523
Non-Metallic Minerals	—	—	30,625	—	3,742	—	3,831
Cement	m.t.	1,206,244	8,098	220,057	1,496	199,175	1,266
Glass Products	—	—	4,634	—	447	—	533
Chinaware	—	—	15,106	—	1,441	—	1,631
Precious Metals & Gems	—	—	7,846	—	834	—	761
Cultured Pearls	kg.	18,223	3,633	2,415	468	1,768	360
Base Metals & Products	—	—	117,096	—	7,658	—	9,274
Iron & Steel	m.t.	1,988,521	93,418	95,429	6,060	118,824	7,269
Steel Bars & Shapes	,,	356,875	11,401	14,741	563	22,580	853
Steel Plates (ungalvanized)	,,	344,719	16,801	17,378	841	22,435	1,293
Copper	,,	41,184	13,257	981	277	1,271	675
Nickel	,,	2,213	2,261	261	342	256	404
Aluminium	,,	24,883	5,033	1,215	327	1,344	349
Metal Products	—	—	21,845	—	2,188	—	2,181
Machinery & Transportation Equipment	—	—	88,835	—	16,695	—	10,327
Machinery (excl. electric machines)	—	—	34,848	—	3,367	—	3,202
Metal Processing Machines	—	—	1,134	—	82	—	55
Textile Machines & Parts	—	—	9,562	—	855	—	953
Sewing Machines & Parts	—	—	13,938	—	1,045	—	1,063
Electric Machines	—	—	11,123	—	1,644	—	1,737
Gen. Motors, Trans. & Alternators	unit	—	2,188	—	381	—	309
Electric Bulbs	1,000 pcs.	194,791	1,601	19,006	170	24,437	229
Transportation Equipment	—	—	42,864	—	11,684	—	5,388
Railway Rolling Stock	—	—	7,814	—	922	—	750
Automobiles	—	—	3,736	371	24	1,289	103
Bicycles & Parts	m.t.	—	3,056	16	49	—	226
Ships	unit	348	28,147	91	10,221	56	3,898
Miscellaneous	—	—	90,295	—	9,291	—	10,502
Camera	—	234,471	1,680	22,337	197	31,342	268
Toys	m.t.	47,352	15,294	5,580	1,847	6,627	2,196
Livestock, Pets etc.	—	—	299	—	2	—	3
Re-export Goods	—	—	2,551	—	232	—	170
Total Exports	—	—	723,816	—	75,867	—	71,202

Note: Figures of group total include others than represented. Figures for value are rounded under one thousand.
Source: Customs Division, Tax Bureau, Ministry of Finance.

38. Imports by Major Articles

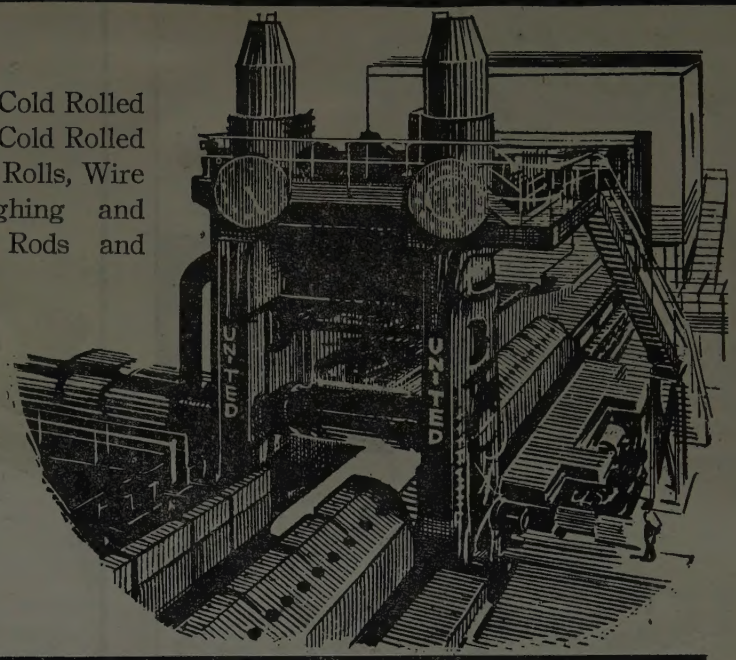
(In million yen)

Articles	Unit	1955 Aggregate		1956 June (Aggregate up to)		1956 July (Aggregate up to)	
		Volume	Value	Volume	Value	Volume	Value
Food	—	—	220,038	—	17,561	—	14,754
Cereals (rice, wheat & barley, etc.)	m.t.	—	158,437	382,091	12,162	354,134	10,004
Fruit & Vegetables	,,	149,625	7,191	7,259	428	5,512	418
Sugar	,,	1,243,131	43,692	130,212	4,423	1,220	3,823
Coffee	1000. lbs.	9,058	2,044	805	178	506	113
Beverage & Tobacco	—	—	4,955	—	33	—	50
Spirits	l.	—	274	—	30	—	47
Raw Materials	—	—	441,281	—	53,981	—	58,254
Hides & Skins	m.t.	61,763	8,055	5,877	865	6,710	969
Cow Hide	,,	47,041	5,214	4,085	502	4,957	601
Box Calf	,,	8,000	2,008	770	245	734	236
Oil Seeds	,,	1,135,105	52,928	112,181	4,837	123,000	6,147
Peanuts	,,	14,554	1,238	—	—	—	—
Copra	,,	50,736	3,829	4,451	356	4,690	370
Soy-beans	,,	808,177	35,368	70,814	3,016	99,623	4,687
Rubber	,,	109,057	26,905	11,823	2,598	14,450	2,795
Crude Rubber	,,	87,669	23,852	9,031	2,128	11,147	2,354
Latex	,,	7,160	1,522	992	192	894	157
Synthetic Rubber	,,	5,199	1,374	873	245	977	257
Lumber & Cork	c.m.	—	22,909	—	2,423	—	2,500
Lumber	,,	2,051,859	22,243	204,568	2,378	207,129	2,421
Cork	m.t.	6,568	616	517	42	829	70
Pulp & Scrap Paper	—	—	6,849	—	907	—	1,117
Fibres & Textiles	1,000 lbs.	1,498,630	210,799	177,679	24,689	196,733	27,094
Silk (incl. cocoons)	1,000 lbs.	1,904	407	114,408	22	340	94
Wool	,,	214,191	63,376	33,221	9,004	34,440	9,786
Cotton	,,	972,061	130,318	123,822	14,669	126,481	15,892
Cotton Linter	,,	30,754	773	105,333	13,464	110,143	14,116
Waste Cotton	,,	87,211	6,920	13,745	1,099	21,190	1,653
Hard & Bast Fibres	,,	117,856	7,823	18,736	772	23,624	1,065
Jute	,,	69,843	2,604	7,321	263	6,572	235
Flax	,,	5,554	608	686	48	1,263	72
Sisal Hemp	,,	27,212	937	6,232	304	10,340	528
Manila Hemp	,,	71,196	3,324	1,569	178	1,814	238
Fertilizers & Non-metallic Minerals	m.t.	—	36,975	—	2,604	—	2,918
Fertilizers	,,	2,369,295	23,959	145,211	1,199	160,430	1,447
Salt	,,	2,025,019	7,775	187,099	787	154,399	674
Asbestos	,,	20,400	1,436	3,622	240	3,409	228
Magnesite	,,	53,486	923	5,946	104	10,497	187
Metals & Ores	m.t.	7,784,569	66,867	1,043,340	14,442	1,093,222	14,102
Iron Ore	,,	5,459,458	29,354	642,322	3,969	687,931	4,386
Scrap Iron	,,	1,286,959	22,951	252,526	6,222	254,342	6,072
Non-ferrous Metals	,,	1,021,375	12,063	146,180	2,005	146,760	2,421
Nickel	,,	44,196	2,150	56,578	493	47,382	421
Aluminium	,,	307,530	2,435	52,864	264	29,552	149
Manganese	—	343,312	1,513	9,512	144	36,995	630
Animal Materials	—	—	3,039	—	260	—	319
Vegetable Materials		—	5,948	—	357	—	293
Coal & Petroleum	—	—	104,040	—	11,734	—	10,185
Coal	m.t.	2,861,923	20,237	311,074	2,638	186,494	1,637
Anthracite	,,	267,398	1,732	46,827	360	13,197	102
Bituminous (for coking)	,,	2,575,281	18,437	236,402	2,103	142,227	1,339
Petroleum	k.l.	12,114,718	81,863	1,199,785	8,778	1,174,176	8,440
Crude & Unrefined	,,	8,501,530	53,507	935,357	6,456	941,768	6,429
Gasoline	,,	348,347	4,620	63	1	5,279	103
Kerosene & Gas Oil	,,	222,681	2,225	16,393	173	14,936	158
Fuel Oil	,,	3,004,426	19,763	235,364	1,820	208,236	1,597
Lubricants (excl. grease)	,,	29,789	1,324	5,190	252	3,063	142
Petroleum Coke	m.t.	125,959	1,285	23,902	275	4,364	50
Animal & Vegetable Oils	—	—	13,118	—	1,025	—	1,421
Animal Fats & Oils	m.t.	117,680	9,173	8,583	652	13,152	990
Vegetable Oils	,,	37,536	3,695	3,448	357	3,780	400
Chemicals, Drugs	—	—	28,874	—	5,201	—	4,700
Manufactured Products by Material	—	—	21,052	—	3,839	—	4,066
Hides, Leathers & Furs	m.t.	—	964	—	116	—	247
Rubber Goods	—	—	230	—	18	—	37
Paper & Related Products	m.t.	1,456	229	146	25	135	26
Yarns & Fabrics	—	—	3,213	—	309	—	398
Base Metals	m.t.	—	1,337	28,061	2,720	26,616	2,678
Iron & Steel	,,	82,183	3,647	22,946	1,048	22,247	952
Other Base Metals	,,	5,823	4,391	5,115	1,672	4,369	1,725
Machinery & Transportation Equipment	—	—	47,665	—	6,163	—	5,013
Machinery (excl. electric machines)	—	—	33,258	—	3,818	—	2,796
Electric Machines	—	—	6,267	—	877	—	1,093
Transportation Equipment	—	—	8,140	—	1,468	—	1,123
Miscellaneous	—	—	7,895	—	1,310	—	1,005
Livestock, Pets etc.	—	—	124	—	6	—	6
Re-imports Goods	—	—	674	—	91	—	68
Total Imports	—	—	889,715	—	100,945	—	99,521

Note: Figures of group total include other items not represented above. Figures for value under one thousand are rounded.
Source: Customs Division, Tax Bureau, Ministry of Finance.

Products:

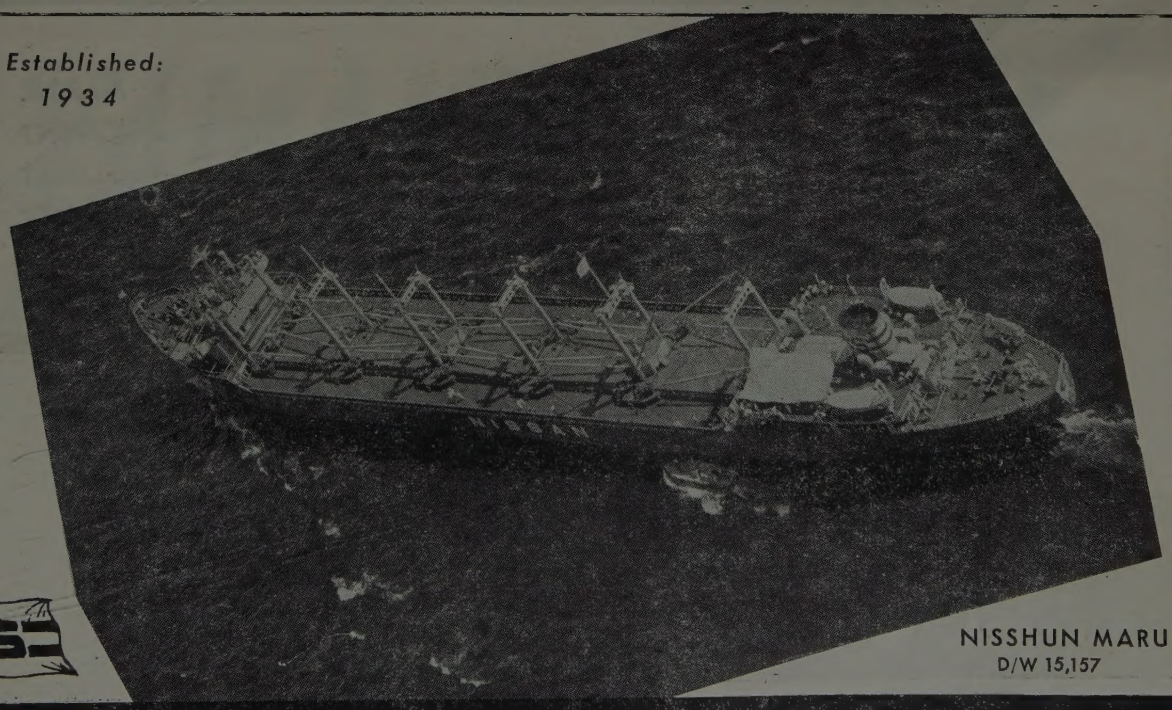
Plates, Sheets, Galvanized Sheets, Cold Rolled Sheets, Silicone, Special Hot and Cold Rolled Strips, Bars, Forgings, Castings, Rolls, Wire Ropes, Steel Containers, Weighing and Measuring Machines, Welding Rods and Chemical By-Products.



KAWASAKI STEEL CORP.

Head Office: KOBE, JAPAN. *Cables:* "KAWATETSU KOBE"
Branch: TOKYO, JAPAN. *Cables:* "KIVERSTCORP TOKYO"

Established:
1934



NISSHUN MARU
D/W 15,157

NISSAN KISEN KAISHA, LTD.

President: Yukio Ito

Head Office: 2-4, 1-chome, Yaesu, Chuo-ku, Tokyo. Tel.: (23) 2321, 0381

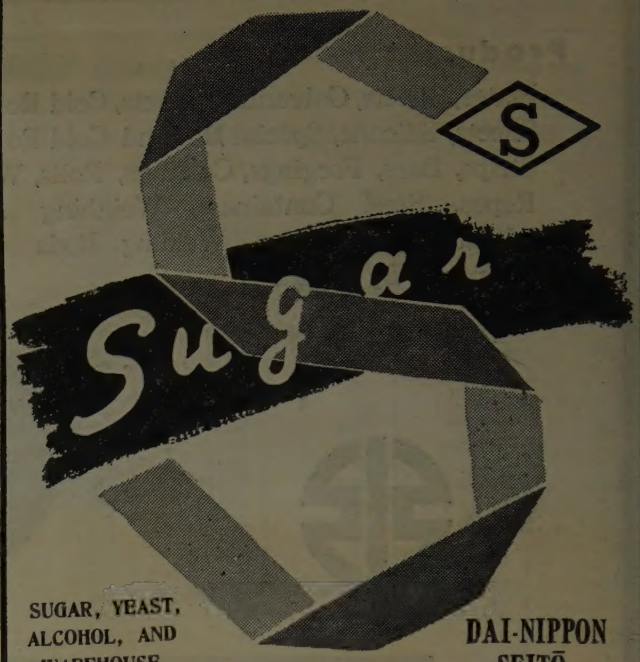
All kinds of telecommunication equipments

- TELEPHONE SETS
- TELEPHONE EXCHANGE
- EQUIPMENT
- CARRIER TELEPHONE SYSTEM
- TELEGRAPH SETS
- WIRELESS EQUIPMENT

OKI

OKI ELECTRIC INDUSTRY CO., LTD.

10, SHIBA-TAKAHAMA-CHO, MINATO-KU, TOKYO, JAPAN



SUGAR, YEAST, ALCOHOL, AND WAREHOUSE

DAI-NIPPON SEITŌ

DAI-NIPPON SUGAR MFG. CO., LTD.

PRESIDENT: AIICHIRO FUJIYAMA

4~1 Marunouchi Tokyo

Tel. (27) 0100~0109

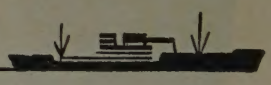
Cable Address: SUGAR TOKYO

FIRE ..... MARINE

TRANSIT ..... ACCIDENT

AUTOMOBILE ..... FOREST

BURGLARY ..... LIABILITY



The

NISSAN

FIRE & MARINE INSURANCE CO., LTD.

HEAD OFFICE: 2, 1-chome, Shiba Tamura-cho, Minato-ku, Tokyo

FUJI'S
QUALITY
PRODUCTS
Pig Iron, Billet, Slab, Sheet Bar, Plate, Shape, Wire Rod, Hoop, Rail, Hot Rolled Sheets, Cold Rolled Sheets, Galvanized Sheets and By-Products.
FUJI IRON & STEEL CO., LTD.

Nihonbashi-Edobashi, Chuo-ku, Tokyo
Tel: 27-2551, 2561, 2571 Cable Address: STEELFUJI TOKYO

YAMAICHI SECURITIES CO., LTD.

Brokers and Investment Bankers

Your orders for both Japanese and American securities are solicited

Free information available

HEAD OFFICE:
Kabuto-cho, Nihonbashi,
Tokyo
Foreign Dept. Tel: 67-3992

NEW YORK OFFICE:
111 Broadway, New York
Tel: COrtlandt 7-5680

SANWA BANK

THE SANWA BANK, LIMITED

HEAD OFFICE: *Fushimimachi, OSAKA*

A complete network of 184 branches in Japan and worldwide correspondents

OVERSEAS OFFICES

SAN FRANCISCO BRANCH
465 California St., San Francisco California, U.S.A.

NEW YORK REPRESENTATIVE OFFICE
New York, U.S.A.

LONDON REPRESENTATIVE OFFICE
London, England

TAIPEI REPRESENTATIVE OFFICE
Taipei, Formosa

ESTABLISHED 1880

Keep in touch with Japan through

complete foreign exchange banking facilities of

the FUJI BANK, LTD.

HEAD OFFICE: OTE-MACHI, CHIYODA-KU, TOKYO, JAPAN
184 BRANCHES THROUGHOUT JAPAN

LONDON BRANCH
Salisbury House, Finsbury Circus,
London, E.C. 2
UNITED KINGDOM

NEW YORK AGENCY
42 Broadway, New York, N.Y.
U.S.A.

CALCUTTA REPRESENTATIVE OFFICE
6th Floor, Mookerjee House
17, Brabourne Road, Calcutta-1
INDIA